

EUROPEAN NEWS

Appeal by French bank union

By David Housego in Paris

A FRENCH trade union has urged the Government to pursue a more rigorous monetary policy in support of its efforts at wage restraint.

That unexpected stance by the banking federation of the Roman Catholic CFTC union comes as non-Communist unions are showing signs of increasing flexibility in the face of rising unemployment and the slowdown in the economy.

The pro-Socialist CPDT union recently proposed that small companies should be exempted from some of the burdensome regulations over personnel and trades union representation that discourage expansion.

At the same time, the centrist CGC union, which represents white-collar workers, has praised the realism of Prime Minister Laurent Fabius after his bitter denouncing his predecessor, M Pierre Mauroy.

In a article endorsed by the banking federation of the CFTC, M Marcel Rist, an economist with the union, argues that the government's policy of deflation through wage restraint is being undermined by an excess of liquidity in the economy. He says that any lifting of wage or price restraint in the absence of a strict monetary policy risks provoking a further surge of inflationary expectations.

By including cash placed in money market funds and unit trusts in the M2 figures, M Rist argues that monetary policy under the Socialists has been much looser than normally supposed. M Rist says such funds should be included in the M2 figures because they encompass sums placed on deposit until a change in the French regulations in 1982.

On M Rist's calculations, M2 growth was 13.6 per cent last year or more than 2 percentage points higher than nominal GNP and well above the 10.9 per cent recorded in the official figures. Correspondingly, the rate of domestic credit expansion (credit supplied by the banks to both the public and private sector) only decelerated last year to 13.2 per cent.

Chancellor Kohl gets a second anniversary warning

By RUPERT CORNWELL IN BONN

LOCAL ELECTIONS, the politically literate will observe, are after all only local. But those this weekend in North Rhine Westphalia, in which some 8m people voted, have proved an ominous anniversary warning for Chancellor Helmut Kohl.

Exactly two years after he came to power, the electorates in West Germany's most populous and industrial state have handed the Chancellor's Christian Democrat (CDU) party a stinging defeat, and proved beyond all doubt that in terms of popularity, if not yet power, the Greens have replaced the liberal Free Democrats (FDP) as the third political force in the land.

For the first time since the early 1950s, the CDU is no longer the largest party overall in the town halls and borough councils of the state. At 32.3 per cent, its share of the vote fell a full 4 per cent from the last state election in 1979: in seven large centres, including the cities of Münster and Mönchengladbach, previous absolute majorities have vanished.

But if the reverse for the Christian Democrats is indisputable, it has been only a victory of sorts in that the opposition Social Democrats.

True, the party is back (just) on top of the pile—but only at the expense of seeing its vote



Chancellor Kohl... stinging defeat

fall by 2.4 per cent, to 42.5 per cent from 44.9 per cent five years ago; and this in a state which contains the natural Social Democrat strongholds of the Ruhr.

The final returns give the Greens unmitigated success. By capturing almost 9 per cent of the vote this time, after gaining 8.2 per cent in the European elections last June, they have shown they are effective everywhere.

The votes have flowed to them from disparate quarters, ranging from conservative small farmers worried about pollution

and the Community's farm policy to the professional classes and factory workers.

The Social Democrats took votes from the Right, they lost far more to the Greens on the left. All 28 big cities of North Rhine Westphalia will now have Green councillors in their town halls; some may well soon have "Red-Green" administrations.

But the Chancellor is not the only one to be contemplating a sour anniversary. Herr Kohl yesterday called the result "a slap in the face": the comments of Herr Hans Dietrich Genscher, his Foreign Minister, who has just completed 10 years as leader of the FDP, are thus far unrecorded, but can be little different.

From 6.5 per cent in 1979, the Free Democrats' share of the vote sank to 4.8 per cent. Every pointer is that if federal elections were held tomorrow, instead of spring 1987, the party would fail to clear the 5 per cent barrier needed for Bundestag representation and survival.

But next May, it faces a scarcely less testing challenge. In the form of the full-scale state election of North Rhine Westphalia: few would bet much now on its chances of gaining 5 per cent and seats in the Landtag in Düsseldorf. The Free Democrats, of course, have already found

straws to clutch at—most notably that they will benefit disproportionately from the higher turnout to be expected when voting is at state or national level.

But as far as North Rhine Westphalia is concerned next spring, fulfilment of that wish may depend on settling the future of Herr Jürgen Moelle-

mann, FDP leader in the state and junior Foreign Office Minister, who is presently fighting allegations of improper business conduct.

That, however, is a small worry for the Chancellor, as he and his party weigh up the weekend's damage. Local or not, the vote constitutes the first real electoral setback for

and their number of seats fell from 12 to 11.

Until now, the People's Party had been the main beneficiary of dissatisfaction with the Government, winning support from both the Socialists and the Liberals.

The Socialists regard their performance as satisfactory and as an indication that the sharp decline in their popularity during the past year and a half has now been halted.

The results may well spell trouble for the small and politically heterogeneous Liberal Party. The party is split between a Liberal wing best represented by the party leader and Vice-Chancellor, Dr Norbert Steger, and a nationalistic right wing faction, which will now press its challenge to Dr Steger.

Few observers doubt that it is starting to pay the price for the errors and the impression of muddle and drift which has grown over the past six months. The sequence began with the Kiesling and Landsdorf affairs, to stretch on into environmental and tax amnesty disputes, and the recent setbacks to the Chancellor's cherished Ostpolitik.

As its popularity has waned, the FDP has become an uncomfortable ally in government for the Chancellor as Herr Franz Josef Strauss from Munich has long been outside it.

With malicious timing, Herr Strauss chose election Sunday morning to deliver himself of a long Press interview to mark two years of Chancellor Kohl's rule. What praise there was, was faint enough to be indiscernible.

Herr Strauss, it is said by some, has no lower aspirations to senior ministerial office in Bonn because he calculates that the Centre Right coalition is now headed for defeat in 1987. That would be a risky assertion: but the voters of North Rhine Westphalia have served notice to Herr Kohl and Herr Genscher that their recent record leaves much to be desired.

Jobs hope for Irish industry

By Brenda Keenan in Dublin

THE DECLINE in Irish manufacturing employment may be ending, according to Mr Padraic White, managing director of Ireland's Industrial Development Authority.

The authority's annual report shows that 1983 was a particularly bad year, with a net loss of 11,000 jobs in manufacturing. This year, the losses are expected to be below 5,000 and the authority believes that foreign investment in Ireland will show an increase for the first time in three years.

Mr White said he expects fixed-asset investment by overseas companies of about £2,000m this year, compared with £2,000m last year. This could pave the way for an increase in manufacturing employment in 1985 over the present level of 190,000.

The figures come on the day the Government is expected to publish its much-heralded economic plan. This is mainly concerned with ways of reducing the Government's £3bn (£1.64bn) annual borrowing requirement.

But it is expected to contain some proposals on industrial development. Ministers argue that borrowing can only be reduced significantly in conditions of sustained growth.

The plan is also meant to end the squabbling over economic policy between ministers from the Fianna Fáil and Labour parties in the ruling coalition.

Iceland strikes begin early

REYKJAVIK - Iceland's island-wide civil service strike got off to an unexpectedly early start yesterday as state radio and television went off the air and teachers disrupted school classes.

Telecommunications workers and employees of state-owned alcohol stores threatened to strike from today.

Iceland's five daily newspapers have been shut for three weeks by a printers' strike, and with radio and TV silenced, the 230,000 islanders had no local news services at all.

The 17,000-member federation of state and municipal employees had called a strike starting on Thursday. AP

Spain pessimistic on EEC accession date

By DAVID WHITE IN MADRID

SPAIN IS taking a pessimistic view on prospects for tying up any of the outstanding issues affecting EEC enlargement at the Foreign Ministers' negotiating session in Luxembourg tomorrow. The initial deadline for completing entry negotiations has now expired.

The gloomy Spanish outlook is conditioned by low expectations of success at the EEC Agriculture and Finance Ministers' meetings this week and by difficulties among the Ten over the Community budget and over ways of dealing with the wine surplus. One of the main problems which has to be tackled before Spain joins.

Although the Madrid Government is still aiming to complete Spanish entry talks by the end of the year, the possibility is now being raised of their not being completed before next year.

Because of the time required

Purge threat to Polish universities

By Christopher Bobinski in Warsaw

PROF BENON MISKIEWICZ, Minister of Education, has warned that the authorities will respond with purges at the universities should supporters of Solidarity, the banned trade union, attempt to make their presence felt there.

This hard-line threat aimed at independent minded academics appeared yesterday in the official press as 264,000 full-time students throughout the country returned to college.

The new academic year sees the start of a three-year term of office by Rectors elected by staff and students under democratic procedures last spring.

The new laws drafted in the Solidarity period and approved by the Government in 1982 have meant that the universities have been to an extent able to order their own affairs. Some have used the law to avoid repression in the martial-law period.

The arrangement also meant that the authorities avoided the threat of widespread anti-martial law student protests.

But as this academic year starts, the Communist establishment is having second thoughts about the degree of autonomy the universities enjoy.

Prof Miskiewicz said his Ministry was conducting a review of the implementation of the law which is to be ready this month.

The stance which the Government and the academic community adopt at Warsaw University, the largest in the country, will provide an indicator as to the fate of the law.

At the university, the election in the spring of Prof Kiemiens Szaniawski, an openly-avowed Solidarity supporter led to the suspension of the university's Electoral College.

Twenty-two of the new rectors at universities coming under the aegis of the Higher Education Ministry are Communist Party members while 30 have no party affiliation and one belongs to the small Peasants' Party.

East Bloc split on relations with China

BY LESLIE COLT IN BERLIN

SOVIET CHARGES against China yesterday contrasted with "best wishes" from Moscow's East German and Hungarian allies on the 35th anniversary of the Chinese People's Republic.

Unlike the Soviet Union, the two East European countries have also pressed for an intensified dialogue with West Germany and other Western European countries, in spite of the deployment of new U.S. missiles.

Pravda, the Soviet Communist Party daily, accused Peking of blocking normalisation between the two adversaries by presenting unacceptable demands.

Pravda said China was making the Soviet Union appear to be a threat and a source of international tension.

The Soviet newspaper declared that China demanded that Soviet troops withdraw from Afghanistan, that its forces be reduced along the border to China, and that the Vietnamese army be withdrawn from Kampuchea.

It quoted Mr Konstantin Chernenko, the Soviet leader, as having said Moscow could not enter into agreements which harmed the interest of third parties.

East Germany, on the other hand, refrained from criticising the Chinese leadership and welcomed what it called the "positive steps" taken in recent years in relations between China and the Soviet Union and its allies.

Hungary, too, stressed the positive aspects of its relations with China. The Hungarian news agency credited Chinese leaders as having said in their anniversary day speeches that Peking was working to decrease international tensions and armaments.

Rupert Cornwell reports from Bonn: The case involving a senior engineer from the leading West German aerospace group of Messerschmitt-Bolkow-Blohm (MBB) could be more serious than hitherto imagined.

According to the Federal Prosecutor's Office in Karlsruhe, Herr Manfred Rötch, who was detained on suspicion of spying for the Soviet Union 11 days ago, may have been working for the KGB since the mid-1950s, and not 1967 as first suggested.

Evren expresses sorrow at 'massacre' resolution

By DAVID SARCHARD IN ANKARA

PRESIDENT KENAN EVREN of Turkey yesterday spoke of his country's "sorrow" at a recent U.S. Congressional resolution which alleges that Turkey massacred Armenians during World War I.

In the first top-level utterance on a subject which has been making banner headlines in the Turkish Press for the past few weeks, President Evren said Turkey was saddened as a nation because the resolution had been taken "not just by a friend but also by an ally."

In the harshest speech on internal security for some time, the President went on to claim that Turkish subversives who were trying to divide the country—an apparent reference to Kurdish groups who fought against Turkish troops during August and September—were receiving directives from abroad.

Madrid still hopes for success on labour pact

By DAVID WHITE

THE SPANISH Socialist Government is still hoping to conclude a two-year agreement with employers and the Socialist UGT trade union by the end of this week, after failing in its attempt to force through an agreement before finalising its 1985 budget.

The cabinet, at a special weekend meeting, approved the final version of next year's budget before presenting it to parliament. The budget envisages a deficit of Pta 1,440bn (£8,750bn).

The planned deficit is only 5 per cent of Spain's expected gross national product next year, however, compared with a 5.5 per cent level in this year's budget and a previous level of 6 per cent. Expenditure is due to rise by 3.8 per cent and revenue, boosted by a clampdown on tax fraud and a rise of 0.8 per cent in the overall tax burden, by 1 per cent.

The Government is expected to keep the door open to parliamentary amendments to accommodate any last-minute agreement in the labour talks, from which the Communist union the Workers' Commissions, has to all intents and purposes already dropped out.

The budget plan is geared to a 6.5 per cent increase in civil service pay next year, the same as this year. This is in line with basic agreement reached between employers' representatives and UGT on 1985 wage increases.

Spanish Prime Minister Felipe Gonzalez said yesterday his government would abide by the result of a planned referendum on Nato membership even if it meant withdrawal from the alliance.

Seventeen oil groups seek Norway ninth-round stakes

By FAY GJESTER IN OSLO

SEVENTEEN OIL companies, including three Norwegian groups, and most of the major multinationals, have sought stakes in petroleum licences being offered under Norway's ninth concession round by the State Oil Company (Statoil), the state oil company, gets a share of every licence without applying. The deadline for the ninth-round bids was at the weekend.

Mr Kare Kristiansen, Oil Minister, said the satisfactory response showed that the major companies still regarded Norway's shelf as an interesting prospect. Ninth-round awards will be announced before the end of this year, so that drilling on the new acreage can begin next spring.

On offer this time were seven blocks or part blocks in the North Sea, six on the Hatten Bank (off central Norway) and 12 on the Tromsø Patch (off the northern coast).

In addition, oil companies were given the chance to apply for 18 other blocks offered, but not allocated, under earlier rounds.

An Oil Ministry official said

Foreign banks report expected

STOCKHOLM - A government panel will present the results of its study today on the possibility of allowing foreign banking operations in Sweden.

Sweden is the only Western European country that does not allow foreign banks to operate within its borders. A Government-appointed panel has for months been studying a variety of reforms in the Swedish credit markets, which includes the effect of foreign banks' entry.

The report is widely expected to recommend allowing foreign banks access to Sweden. Mr Kjell-Olof Feldt, Prime Minister, recently said he expected a positive recommendation and he added that the Government was inclined to act speedily on such a recommendation.

Under the present timetable, a Bill could be presented to parliament in early 1985. That might remove final obstructions to the foreign banks by the beginning of 1986.

Norway recently opened its borders to foreign banks but refused Swedish banks entry until Norwegian banks were allowed to operate in Sweden.

The final government proposal is expected to call for admittance of, initially, only a few banks. AP-DJ

Japanese see trade boost from new Siberian railway

By DAVID BUCHAN

COMPLETION of the Baikal-Amur Mainline (BAM) railway, creating a second "rail bridge" across Siberia, is expected to facilitate Soviet trade with Japanese and Far East markets, as well as to provide a further alternative to sea freight between Europe and East Asia.

Soviet workers completed 10 years of work by laying the final sleeper in the 3,102 km railway over the weekend. It has cost 30bn roubles (£22bn) and has been described by the Soviet media as "the construction feat of the century."

The marathon project has been completed before its latest deadline of Revolution Day, November 7, next month, but two years later than originally scheduled.

According to Mr Konstantin Mokhorov, deputy Transport Construction Minister, one-third of the BAM is now in operation. BAM runs from the Siberian town of Ust Kut to the Pacific port of Sovetskaya Gavan, parallel to the current Trans-Siberian rail line for much of its route, but is 150 kilometres shorter and further north.

It will provide access to large deposits in southern Siberia of coal, iron ore, asbestos, aluminium, copper, gold, lead, tin, oil, and some precious metals such as molybdenum.

Malta's Church shuts 72 schools indefinitely

THE DISPUTE between Premier Dom Mintoff's Government and the Maltese Roman Catholic church over its schools entered a new phase yesterday when the Church's 72 primary and secondary schools were kept closed indefinitely, our Malta Correspondent writes.

The decision, taken by Archbishop Monseigneur Charles Debono yesterday, followed last Friday's late-night meeting with the Premier at which the Archbishop agreed not to reopen the Church's unlicensed eight secondary schools before judgement is delivered by the Constitutional Court on the Government's free education measures.

Yesterday's church schools closure avoided the threat of a clash between rival supporters.

Mr Mintoff's Government views the Archbishop's commitment not to violate the country's education reforms legislation enacted in May as the beginning of a victory, but it is also concerned at the frequent outbursts of violence.

De Clercq faces finance inquiry

A BELGIAN parliamentary committee is to investigate whether Finance Minister Willy De Clercq was involved in alleged financial irregularities at Ghent football club.

M Jean DeFaigne, president of the House of Representatives, said it would begin after parliament opened on October 9.

De Clercq was on the board of Ghent, one of several Belgian clubs that have been under investigation about allegations of "black money" payments on the transfer market.

Putting on the Ritz all the way to New Zealand.

AIR NEW ZEALAND'S 'RITZ OF THE SKIES' SERVICE TO LOS ANGELES AND NEW ZEALAND ONCE AGAIN CAME TOP IN THE LUNN POLY BUSINESS CLASS SURVEY.

How so... all you... in Wa...

Deng feted in massive National Day parade

By Mark Baker in Peking
FOR SIX years Deng Xiaoping has stood in the wings of Chinese politics...

More than 600,000 people jammed Tiananmen Square in central Peking to toast the country's achievements...

Dressed in a steel blue Sun Yat-sen suit, Deng stood alone in an open-backed 'red flag' limousine...

The Soviet Communist Party daily, Pravda, said yesterday, in an article marking the 35th anniversary of the Chinese People's Republic...

military and the state bureaucracy, he declared that the achievements of socialism in China had changed the course of human history...

Deng, who has presided over greater stability and growth than any other Chinese leader...

China's appeal to Taiwan for talks was "another Communist propaganda trick," a South Korean Foreign Ministry official said yesterday.

formation down Chang'an Boulevard, dressed in uniforms with much new braid and badge work but still without rank.

The civilians in the parade danced, sang, marched, cheered and threw paper flowers with a minimum of spontaneity.

There were a thousand juvenile transmitters, given a crash course in the occasion, who screamed out of time, followed by 500 similarly uncoordinated cyberslaves.

Much of it was a celebration of the new consumerism. There were blown up replicas of colour TVs, stereo radios, washing machines, bicycles and a truly enormous refrigerator opened to reveal a door full of beer bottles.

The inquiry board's findings accuse the military, Emilia Tagaza reports
Aquino's ghost will not go away

TENSION is understandably running high for the Filipino military, the Government of President Ferdinand Marcos and the country's economic and business circles.

The fact-finding board investigating the assassination of opposition leader Benigno Aquino is now expected to publish on Friday its explosive conclusion that there was a military conspiracy in the assassination.

Although the board has yet to agree on the role of General Fabian Ver, the armed forces' Chief of Staff, the report already portends deep troubles for Mr Marcos.

Whether or not the board links General Ver to the conspiracy, Mr Marcos is in a difficult situation. Popular opinion is that under the concept of command responsibility in the military, General Ver, 64, must be fired, or at least "retired."

If the General does go, Mr Marcos will find it difficult to exercise his one-man rule, and

if the General is kept on, this could only add fuel to popular dissent and bring back the type of big anti-government demonstrations that forced the President to give political concessions to his political opponents.

The opposition groups in the country will undoubtedly seize on the report. It was largely the public disaffection with the Government resulting from the assassination which swept the weak and splintered opposition to impressive victories in the National Assembly elections last May.

The Opposition did not win a majority of the 200-seat Assembly, but, with 60 avowedly anti-Marcos members and a number of ostensibly neutral Government members wary of a public backlash against them, the Opposition can expect to make considerable capital out of the board's report.

The five-member board was created by a decree issued by Mr Marcos in October last year. Since then, the board had conducted an exhaustive series of public and closed-door hearings in Manila, Tokyo and Los Angeles, receiving the

testimony of almost 200 witnesses and amassing more than 20,000 pages of transcript. The Filipino people have expressed impatience with the delay in disclosing the report, while accepting the integrity of the board members.

The board has faced enormous difficulties in determining the exact circumstances of the assassination. Mr Aquino, who was Mr Marcos's political arch-rival, was shot moments after having been taken into custody by military escorts on his return from three years of self-exile in the U.S. The Government claimed he was shot on the airport tarmac by a Mr Rolando Galman, a lone gunman alleged to be acting on behalf of the outlawed Communist Party of the Philippines.

But, quite early in its investigation, the board uncovered considerable evidence which contradicted the official version of the murder and reinforced the widely held public belief of Government involvement.

First, the Government's contention that Mr Galman, who was himself shot by Mr Aquino's

military escorts, was acting for the Communists' lost credibility when it was learned that he was a small-time criminal with long-standing connections with some military personnel. Moreover, the Government's evidence of his connections with the Communist Party proved flimsy, if not incredible, when the chief witness that testified to Mr Galman's Communist links appeared drunk before the board. His claims were also found riddled with inconsistencies.

Later, more dramatic testimony was given by private security guards on duty at Manila International Airport during Mr Aquino's arrival. Their statements supported claims that Mr Aquino was shot not by Mr Galman but by his military escorts while still on the service stairs. Two of the guards testified that they heard the first gunshot was heard. One maintenance man even testified that he saw the alleged assassin, Mr Galman, "standing and smiling with military personnel who apparently knew him,"

and other private security guards, also testified that Mr Aquino was still on the stairs with the military escorts when the maintenance man even testified that he saw the alleged assassin, Mr Galman, "standing and smiling with military personnel who apparently knew him,"



Aquino's body carried by soldiers to a waiting van

shortly before the assassination, and that he was several metres from Mr Aquino at the time of the first shot.

With President Marcos having almost everything to lose with the board's conclusions, he is going to be haunted by Mr Aquino's ghost for some time yet.

Yesterday's developments were reviewed at high level in New Delhi in light of the fact that the head priests, to whom the Golden Temple was handed over on Saturday, have been shown to have no control over young extremists who successfully entered the shrine, overpowered the official representatives of the religion and forced the large congregation to obey their orders.

One reason for the delay in withdrawal of the Army from the temple was the fear that extremists would once again use it as a base for their activities. There was no written agreement with the head priests on preventing this but they are known to have given an assurance to the Government that Sikh temples would not be allowed to be misused again.

The head priests, who were also attacked by the extremists yesterday, appeared helpless when faced with slogan-shouting youths yesterday.

Troops re-enter Golden Temple

By K. K. Sharma in New Delhi
TROOPS re-entered yesterday the Golden Temple in the Sikh holy city of Amritsar after extremists seized parts of the complex while a thanksgiving ceremony was in progress. The army had completed its withdrawal from the shrine only two days before.

Soldiers and paramilitary forces regained control of the Golden Temple by the evening and arrested about 300 extremists who had shouted secessionist slogans and made speeches strongly criticising the head priests for reaching an agreement with the government on the Golden Temple.

Before this demonstration, the young extremists seized the recently-repaired Akal Takht, the "seat of the timeless," the temple complex which had been severely damaged in the army operation last June. This was the base from which the late extremist leader, Sant Jarnail Singh Bhindranwale, operated. He was killed in the June army action.

Yesterday's developments were reviewed at high level in New Delhi in light of the fact that the head priests, to whom the Golden Temple was handed over on Saturday, have been shown to have no control over young extremists who successfully entered the shrine, overpowered the official representatives of the religion and forced the large congregation to obey their orders.

One reason for the delay in withdrawal of the Army from the temple was the fear that extremists would once again use it as a base for their activities. There was no written agreement with the head priests on preventing this but they are known to have given an assurance to the Government that Sikh temples would not be allowed to be misused again.

The head priests, who were also attacked by the extremists yesterday, appeared helpless when faced with slogan-shouting youths yesterday.

Hussein rejects Israeli proposals

BY RAMI G. KHOURI IN AMMAN

KING HUSSEIN of Jordan yesterday sharply rejected the call by Israel's new Government for bilateral peace negotiations. He described the Israeli suggestion as "an exercise in subterfuge and deception" designed to perpetuate Israeli policies in the occupied Arab territories.

The King was no less forthright in his comments about the U.S. in a speech to the opening session of the Jordanian Parliament. King Hussein criticised the U.S. for its pro-Israeli stance and accused Washington of "procrastination and hesitancy."

The Jordanian monarch also defined his decision to resume full diplomatic relations with Egypt which had been severed following Egypt's 1979 peace treaty with Israel.

King Hussein said that while the Arabs had sought a peaceful settlement of the Arab-

Israeli dispute, Israel had responded only with "scorn and obstinacy." He accused Washington of having tried during the last decade to monopolise the role of the third-party mediator in the Middle East. But, he said, the U.S.'s pro-Israeli policies had caused it to move gradually into the role of "the second party" in the Arab-Israeli conflict.

Noting that the Arab world was in a state of "disarray, paralysis, conflicting vision, general decrepitude collapse... and confusion," the Jordanian monarch said that maintaining the Arab boycott of Egypt would only play into the hands of Israel by perpetuating Arab disunity.

He said he had restored diplomatic ties with Egypt a week ago to provide other Arab states with an opening to follow

Riots hit Cairo subsidy cut plan

BY TONY WALKER IN CAIRO

RIOTS AT the weekend in a Nile Delta town apparently in protest at increased food costs have dealt a serious blow to those in the Egyptian Government advocating price reforms.

President Hosni Mubarak recently instituted a wide-ranging debate aimed at persuading people of the need for a reduction in subsidies on basic foodstuffs and fuel.

But the weekend rioting, which left three dead, has undermined the risks attached to tampering with Egypt's subsidy system.

The late President Sadat was forced in 1977 to give way on food price increases after widespread rioting left 79 dead and caused hundreds of millions of dollars worth of damage.

1984-85 of subsidies on commodities such as wheat, sugar and rice is expected to be \$2.48bn, an increase of 22 per cent over last year. Food subsidies account for about 15 per cent of budgetary outlays.

World Bank and IMF studies have repeatedly warned Egypt of the consequences of maintaining an open-ended system of food subsidies, which has held the price of a loaf of bread, for example, to about 1 cent. As Egypt imports about half its food, such subsidies are a massive drain on its foreign exchange reserves.

President Mubarak, apparently in response to the weekend rioting in the town of Kafr el-Dawwar, near Alexandria, has already backed away from several modest price increases announced last month.

He has ordered that the price of butter and spaghetti be restored to the level they were before last month's increases. He has also instructed officials to make sure cheap bread is available in poor areas.

Israel optimistic Syria will agree pullout conditions

BY DAVID LENNON IN TEL AVIV

ISRAEL IS cautiously optimistic that it will agree to its conditions for a unilateral withdrawal of Israeli troops from Lebanon within six to nine months.

The outline of the Israeli proposals was discussed in Damascus and Beirut last week by Mr Richard Murphy, the U.S. under-secretary of state.

The key elements are a Syrian undertaking not to advance its forces from their present deployment in Lebanon, and to prevent the Palestinian guerrillas crossing from Syrian-held territory to attack Israel.

Mr Haim Barlev, the minister

of police and a member of the inner cabinet, said yesterday: "The Syrians have a number of reasons for wanting to see Israel leave Lebanon. The price is one that Damascus can afford to pay."

The plan envisages that in place of the departing Israeli troops, southern Lebanon will be policed by an expanded United Nations force and the Israeli-backed Southern Lebanese Militia.

"It will take a month or two to clarify if it is possible to reach an arrangement with Syria," Mr Barlev, a former chief of staff, said.

Anz economic role ruled out

By Nicholas Colchester

MR DAVID LANGE, the Prime Minister of New Zealand, will not press for an Anzus defence pact between Australia, New Zealand and the U.S. to be modified to include an economic dimension. Mr Lange made this clear at a Press conference in London yesterday.

"Some argue that Anzus should have an economic significance. The U.S. does not see Anzus that way and neither do I. Any New Zealand move to emphasise the economic favour of Anzus has now lapsed," the Prime Minister said.

But, after a meeting with the British Prime Minister, Mrs Margaret Thatcher, at Chequers on Sunday, Mr Lange also made it plain that he was unswerving in New Zealand's insistence that no U.S. ships that were nuclear powered or carrying nuclear weapons could berth in New Zealand's ports.

COMMERCIAL proceedings began behind closed doors in Hong Kong yesterday against five men who face charges of conspiracy to defraud in connection with the collapsed property group Carrian Investments.

Mr Michael Thomas, the territory's Attorney General, dismissed the magistrate's decision to hold the proceedings in camera.

Some respite for Durban fugitives

By Anthony Robinson in Johannesburg

THE DAY of decision in the long running saga of the six men held up in the British consulate in Durban has been postponed yet again. This follows the surprise decision of the Attorney General of Natal to withdraw charges against 46 people accused of offences under the internal security Acts last November, including three of the six men in the consulate.

This means that the three no longer face the risk of re-arrest which hung over them until this morning. They had faced the choice of either leaving the consulate voluntarily to go to court, or risk being ejected from the consulate and arrested on the basis of an arrest warrant issued because of failure to attend the court.

Faced with this apparent choice lawyers for the six earlier sent telegrams to the U.S., West German, French and Dutch embassies here seeking sanctuary for the six. All the embassies concerned forwarded the telegrams to their respective capitals for a decision.

The next milestone in this three-week long drama is due tomorrow when a court in Pietermaritzburg is expected to give judgment on an appeal against the detention without trial orders placed on the men.

Catering for success



The secret of success is to concentrate on what you do best. Just ask American Express, Ford Motor Company, Halifax Building Society, Barclays Bank, British Caledonian Airways or BUPA...each of them highly successful companies. And they are just six of the many customers of all sizes who have chosen to delegate the management of their employee catering to Gardner Merchant. Why did they choose Gardner Merchant? Because as Europe's most successful caterer to industry, commerce, hospitals and schools, Gardner Merchant has the strength to provide the finest possible local service.

- A wide variety of value-for-money meals
● Strict cost control within your budget
● Unrivalled purchasing power
● Efficient food preparation and service
● Imaginative design and planning
● Sound staff recruitment and training
● Skilled and enthusiastic management, totally committed to putting their customers first
Whether you employ 50 or 50,000 Gardner Merchant will cater for your needs. For further information please return the FREEPOST coupon, or ring Michael Oliver, on FREEPHONE 5525.

Gardner Merchant serves over 2,500 clients in industry, commerce, hospitals and schools, providing catering management, consultancy, vending, design, planning and equipment supply. Our clients include Rolls Royce Motors, BP Chemicals, W.H. Smith, Brooke Bond Oxo, Barclays Bank, IBM, Commercial Union, Ford Motor Company, American Express, British Caledonian Airways, Halifax Building Society, BUPA, University College Oxford and Eton College.

Gardner Merchant is an International Division of Trusthouse Forte, with service offices throughout the United Kingdom and subsidiaries in the Irish Republic, Holland, Belgium, West Germany, Saudi Arabia, Kuwait, the United Arab Emirates and the United States.

To: Michael Oliver, Gardner Merchant Limited, FREEPOST 100, London W1R 6AR (No stamp needed) I would like to make my catering more successful. Please send me your full colour directory of all Gardner Merchant catering services.

Name Position
Company No. of Employees
Address FT. 10.8c Tel. No.



Le Monde DER SPIEGEL LA STAMPA
No Berlitz...no comment
It's hard enough competing for business abroad without a language barrier adding to the problem. With Berlitz, learning your chosen language couldn't be easier. We tailor-make your course to meet your specific business needs, and those of your company. Ring or telex us on one of the following numbers today. BERLITZ
Telephone: LONDON (01) 580-6482 MANCHESTER (061) 228-3607 BIRMINGHAM (021) 643-4334. LEEDS (0532) 435536 EDINBURGH (031) 228-7195 Telex: 27655 (LONDON)

AMERICAN NEWS

Beirut bomb attack still keeps Reagan on the defensive

BY REGINALD DALE IN WASHINGTON

DESPITE HIS efforts to shake it off, the bombing of the U.S. embassy in East Beirut 12 days ago is continuing to dog President Ronald Reagan's footsteps.

The disaster, and more particularly Mr Reagan's response to it, at least seems to have given Mr Walter Mondale and his fellow Democrats an issue that they can use to probe behind Mr Reagan's defensive screen of presidential aloofness.

The Democratic challenger, having failed to make much impact on public opinion with his bold call for a tax increase to reduce budget deficits, is now concentrating his fire on Mr Reagan's foreign policies.

He is using both the Beirut bombing and Mr Reagan's inconclusive talks last week with Mr Andrei Gromyko, Soviet Foreign Minister, to challenge the President in what has hitherto been regarded as one of his strongest suits - his reputation for "strong leadership."

Mr Mondale said yesterday that the two events had shown that Mr

Reagan "is not really in charge. He is not mastering the details, he is not leading on the crucial questions of arms control, the Lebanese situation - which was a classic example of default in leadership - and he is not answering the questions of the American people that bear on leadership."

Mr Reagan has himself provided extra ammunition for Mr Mondale by giving the widespread impression that he is trying to duck responsibility for the Beirut disaster. First, he made an unguarded remark comparing the difficulty of completing security precautions with the frustration felt by homeowners waiting longer than expected for their kitchen to be "done over."

Then, he appeared to blame an alleged rundown of the Central Intelligence Agency under President Jimmy Carter. When that caused an outcry from Democratic leaders, he tried to blame the media for misreporting him.

Tim Coone reports on an emerging nationalist line Honduras loosens ties with U.S.

ALMOST SIX months after the ousting of General Gustavo Alvarez, the head of the Honduran armed forces, the full effects of that change are only now beginning to be felt. Most significantly, the U.S. is now facing the renegotiation of a series of military treaties with Honduras dating from 1954 and the training of El Salvadoran troops in Honduras has been stopped. A new nationalist line has emerged in Honduras.

General Alvarez was removed at the insistence of a group of reformist colonels headed by General Walter Lopez, chief of the air force. Last month, a second "mini-coup" took place, with the removal of Sr Carlos Flores Facusse, the Minister of the Presidency, in a cabinet reshuffle. Sr Flores was widely considered to be President Suso Cordoba's closest adviser. It is thought that Sr Flores' removal was brought about by the same group of officers that ousted Gen Alvarez.

The reasons are rooted in a growing dissatisfaction with the poor returns that the ruling Liberal's close alignment with U.S. foreign policy objectives have brought Honduras. The country has been the linchpin of U.S. defence strategy in the

region. It has been the logistical base and "rest and recuperation centre" for the U.S.-backed guerrillas of the FDN and Misura fighting in Nicaragua. The U.S. has built an extensive military infrastructure of airfields, supply depots and a port in the north to facilitate a rapid major deployment of U.S. troops in the region if necessary.

Honduras has also been the site of a series of manoeuvres between the U.S. and Honduran armed forces with the clear intention of intimidating Nicaragua to the south. However, the militarisation of the country and the build-up of U.S. troops led to widespread concern that Honduras' main problem, its economy, was being ignored, and that it was in danger of being dragged into a war that it clearly did not want.

"We had all the risk of the U.S. troops here, but few of the benefits," said one Honduran businessman pleased with the new direction of the Government.

It has created problems for the U.S. however. The deputy head of the U.S. diplomatic mission in Honduras admitted that the renegotiation of the military treaties was having "an inhibiting effect" on the

programme of manoeuvres. He said it was also unlikely that the Panamanian-based "School of the Americas" would be now transferred to Honduras. In 1983, the U.S. established a regional military training school (Crem) at El Trujillo in northern Honduras to train El Salvadoran infantry battalions in counter-insurgency operations. The centre may now be used only to train Honduran troops.

The role of the Honduran army continues to be pivotal in Honduran politics. According to a prominent Honduran historian and specialist on the Honduran armed forces, "The Army is the most powerful political institution in the country, more so than any one political party. The officers are trained to be able to take power if necessary."

Their role in civil matters is also now enshrined in Paragraph 52 of the constitutive act of the armed forces which was passed by the civil legislature on August 2 and which gives the armed forces a legal basis for involvement in the economic, social and political development of the country.

"No party can make a significant change without the support of the

armed forces" said the historian, who did not wish to be named. "The CIA was taken by surprise by the ousting of Alvarez and has lost its grip on the armed forces, but it will be trying to re-establish its hold."

Sr Flores' removal was apparently because, independently, he was seeking to buy political allies in the army and to re-establish military support for the group of liberals surrounding the presidency. Sr Flores dismisses such claims as "speculation and rumour" put out by his opponents to damage him politically. Sr Flores, an extremely bright and able politician, was considered to be a potential presidential candidate in 1985.

He was apparently delighted at Alvarez' removal, saying: "Alvarez was abrasive and dictatorial and behaved as though he was the government. He would set out to destroy anybody who opposed him."

However, political observers in Honduras say that the differences between Sr Flores Facusse and General Alvarez were more to do with style than policies, and, with the ousting of both, power has shifted firmly from the presidency to the reformist colonels. The negotia-

tions with the U.S. will now put Honduran concerns before U.S. concerns with El Salvador, according to Sr Flores, and to seek increased aid "in all fields."

The reformist colonels, however, are not entirely secure. Gen Alvarez has been threatening to make a comeback from his enforced exile in the U.S. but that could be turned to the colonels' advantage. According to Sr Ramon Custodio, the head of the Human Rights Commission in Honduras, at least 20 officers who are thought to be linked to the disappearances of more than 100 trade union and opposition political activists during Gen Alvarez' reign, are still in their posts. "If Alvarez returns, Gen Lopez will almost certainly start proceedings against him on corruption and human rights violations charges" said Dr Custodio "and if charges are brought against Alvarez, then the other 20 officers will also fall."

With that card up the Army's little option but to toe the reformist colonels' line for the time being, and, as long as they hold the reins of power, the U.S. has little option but to tag along.

UAW starts pay talks with Ford

By Terry Dearworth in New York

A NEW round of negotiations in the U.S. motor industry began yesterday when the United Auto Workers met with Ford, the second-largest vehicle company, in an effort to make a similar deal to the one just concluded with General Motors.

The UAW has already set out its tactics in stating that it wants "to continue on its traditional course of so-called 'pattern' bargaining. Under this system, widely used in the most unionised U.S. industries, particularly autos and steel, an agreement negotiated with one group becomes the pattern for all the other companies in the sector."

Economic problems over the last few years have brought the pattern system under increasing pressure in the major industries. In the motor sector, Chrysler, the third largest of the U.S. auto groups, was forced to drop out of the three-year negotiating system when it ran into its financial crisis at the end of the 1970s, while Ford has recently been warning that it does not want to be tied by whatever agreement GM makes.

The UAW has made it clear that it would like to bring Chrysler back into the normal triennial round now that the company is in better financial shape and earning healthy profits again.

Chrysler managed to negotiate an agreement a year ago which will leave its employees earning substantially less than workers at GM under the new contract. The existing Chrysler deal is not due to expire until September 1985, so there will almost certainly be some very strong pressure on the company to fall into line.

Ford's labour relations vice-president, Mr Peter Pestilo, said recently that the company would "look carefully" at the GM document. But the emphasis was in which both he and Mr Philip Caldwell, the company's chairman, have insisted that they may want to depart from the GM pattern has suggested that the smaller company may well fight hard for some detailed changes.

Ford's biggest problem in accepting a GM-type deal is that it is less vertically integrated than GM. This means that its own tactics in closing its plants or increasing its sourcing from suppliers are likely to be different from GM's.

U.S. presses for Contadora treaty change

By Hugh O'Shaughnessy in San Jose, Costa Rica

THE U.S. Government is pressing for modification to the final draft of the Contadora treaty on peace and democracy in Central America.

The treaty has been worked on for more than a year by the four countries in the Contadora group - Mexico, Panama, Colombia and Venezuela - in collaboration with the governments of Guatemala, El Salvador, Honduras, Nicaragua and Costa Rica.

It is due to be published on October 15 and aims to put a halt to the fighting in the region especially in Nicaragua and El Salvador, to secure the withdrawal of U.S. Cuban and other troops from the area and to establish more effective democratic structures in the Central American republics.

The Contadora peace initiatives were singled out for particular support by the 21 European and Latin American foreign ministers who met last week in Costa Rica.

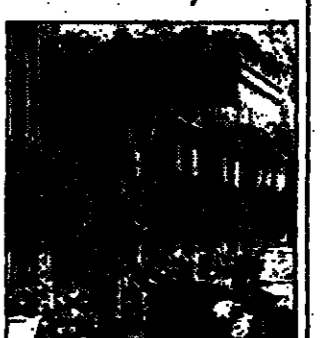
The U.S. pressure has come in the wake of the decision of the left-wing Sandinista Government of Nicaragua last month to sign the final draft with no reservations. The Sandinista move took the U.S. Administration by surprise.

In a letter to Mr Peter Barry, the Irish foreign minister, and president of the EEC Council of Ministers Mr George Shultz, U.S. Secretary of State secretary of state, accused the Nicaraguan Government of unwillingness to accept the Contadora treaty and of trying to avoid provisions for the verification of troop withdrawals from the region.

Loans at Reduced Rates

Are available for viable business projects in The Opportunity Areas. Phone BSC Industry on 01-484 6344 Ext 300 or write to us at NLA Tower, 12 Addiscombe Road, Croydon, CR9 3JH.

Elegance is never achieved in the same way twice.



Beverly Hills/Los Angeles
Beverly Wilshire Hotel
(213) 275-4282

Preferred Hotels Worldwide
Each elegant. Each unique.

United States, Canada, Europe & Far East
A worldwide association of privately owned luxury hotels with these telephone numbers in common:

London 01 409 0814
Frankfurt 0611 287 524
Amsterdam 47 31 73

Boston
The Colonnade
(617) 424-7000

Washington, DC
The Watergate Hotel
(202) 565-2300

NOTICE TO HOLDERS OF W. R. Grace N.V. BEARER SECURITIES
Copies of the Annual Report of W. R. Grace & Co. can be obtained on request from:
F. J. Brennan
Treasurer
W. R. Grace & Co.
1114 Avenue of the Americas
New York, NY 10036
U.S.A.

Maximum Cash Grants
Are available if you start-up, expand or relocate your business in one of our 18 Opportunity Areas. Phone BSC Industry on 01-484 6344 Ext 300 or write to us at NLA Tower, 12 Addiscombe Road, Croydon, CR9 3JH.

Ideal Business Locations
For starting, expanding or relocating in one of our 18 Opportunity Areas, phone BSC Industry on 01-484 6344 Ext 300 or write to us at NLA Tower, 12 Addiscombe Road, Croydon, CR9 3JH.

Relocation delayed by Red Tape?
Set up a viable project in one of our 18 Opportunity Areas and we'll supply a specialist team to cut the formalities. Phone BSC Industry on 01-484 6344 Ext 300 or write to us at NLA Tower, 12 Addiscombe Road, Croydon, CR9 3JH.

HILL SAMUEL OVERSEAS FUND SICAV
37, rue Notre-Dame, Luxembourg
R.C. Luxembourg B 136.422

Pursuant to resolutions adopted at the Extraordinary General Meeting of shareholders held on September 12th, 1984, the Corporation, by amendment of its Articles of Incorporation, has adopted, effective October 1st, 1984, the structure of a SICAV in accordance with chapter 2 of the law of August 23, 1983, regarding collective investment undertakings. The shares are now of no par value.

Therefore, from October 1st to November 1st, 1984, the share certificates of the Company will have to be reissued for stamping to Kredietbank S.A. Luxembourg, 43, boulevard Royal, Luxembourg.

As from November 1st, 1984, shares not stamped are no longer of good delivery at the Luxembourg Stock Exchange.

By order of the Board of Directors



KODAK PRESENTS THE COMPUTER-AIDED RETRIEVER.

Computers alone are not enough: the future is in computer-aided hardware. Lasers. Industrial robots.

And the Kodak KAR-4000 Information System, a new approach to office information management.

It's a retriever that can seek out any document in your files and bring it to your desk in a matter of seconds.

And it handles documents in micro-image form, so you can check everything - right down to the signature.

The system is reliable, because documents can never be lost. And it can give you a crisp, clean paper copy at the touch of a button.

The savings, in time and money, can be quite staggering: in a typical office 20-30% of the time is spent searching for business information in paper form.

The KAR-4000 Information System is actually a group of highly sophisticated

machines, including a stand-alone micro-computer, a microfilmer, and an automatic reader-printer that acts under the computer's direction to find documents in a fraction of the time you're used to.

It's a sophisticated system: in fact to take advantage of Kodak's new generation filing you need a centralized paper file adding 250 or more documents and retrieving 20 or more each day.

If your organization handles paper on

that sort of scale, our computer-aided retriever can save you hard cash as well as time and confusion.

As we'll be happy to prove with a detailed cost analysis of your particular operation.

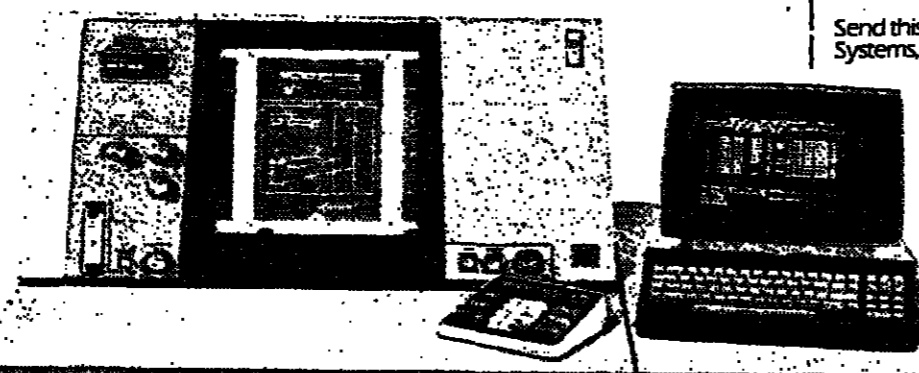
For details, call us or fill in the coupon. In the field of electronic filing, Kodak has the most advanced equipment by far.

Kodak and KAR-4000 are trade marks.



Send this coupon to Kodak Limited, Business Imaging Systems, PO Box 66, Station Road, Hemel Hempstead HP1 1JJ. Or phone Hemel Hempstead (0442) 61122 ext. 214.

Name _____
Position _____
Company _____
Address _____
Tel _____



THE ULTIMATE HIGH TECHNOLOGY FILING SYSTEM.

TECHNOLOGY

RAIL SAFETY THROUGH ELECTRONICS

Trusty tokens give way to radio codes

BY MARK MEREDITH

WOULD ALL those sleepy rural train routes have been axed if Lord Beeching knew about British Rail's radio electronic token block?

Would 3,800 miles of rail line have closed since his report in 1963 if this blindingly obvious application of microelectronics been around, offering the kind of cost savings to make these routes lose less—or perhaps make—money?

It opens a new alternative to closure on many lines as well as presenting British Rail with a possible export winner for developing countries' railways. "Radio train despatch" to give it its less high-tech name, does away with signals, signal boxes and signalmen on those single track lines winding through rural Britain. It could apply to about 12 routes, none of which earn British Rail any money.

It works like this: trains running both ways on a single track depend on a fail-safe traffic control system to ensure that no two trains are on one section of track at the same time.

A foolproof but costly Victorian system is in operation at the moment on many of these lines. It only allows one train at a time on any one stretch of track by dispensing a unique token to the driver moving onto that section.

He leans out of his cab window and, from the signaller by the trackside, scoops up a hoop with a leather pouch attached containing a token engraved with the name of the stretch of track. The driver knows no one else can have this token and no other trains can be on that track.

This procedure ensures trains are safely parked in the various passing loops along the line to wait for the line to clear.

On the scenic routes to Skye 64 miles across the Scottish highlands from Inverness to Kyle of Lochalsh, Victorian and micro technology have been operating in uneasy tandem. Twenty-three jobs are about to be lost among the signalmen in a part of Britain with very

little in the way of alternative jobs. The implications nationwide are also a sensitive subject for British Rail and its unions.

On one side of the signal room at Dingwall Station is a microcomputer. On the other is George Munro, manning a marvellous green-painted apparatus looking like a fruit machine from the last century. Bells ring alerting Mr Munro to the approaching train. He pulls a lever on his green painted machine with its shining brass manufacturer's trade mark "Tyler's patent train tablet." It cannot disgorge a token unless any other token for the Dingwall to Garve section of track has been returned.

Mr Munro takes the tablet, packs it in its leather pouch with the hoop on it for the driver to catch and hops on his bicycle to pedal the 200 or so metres down the track to the rendezvous with the train.

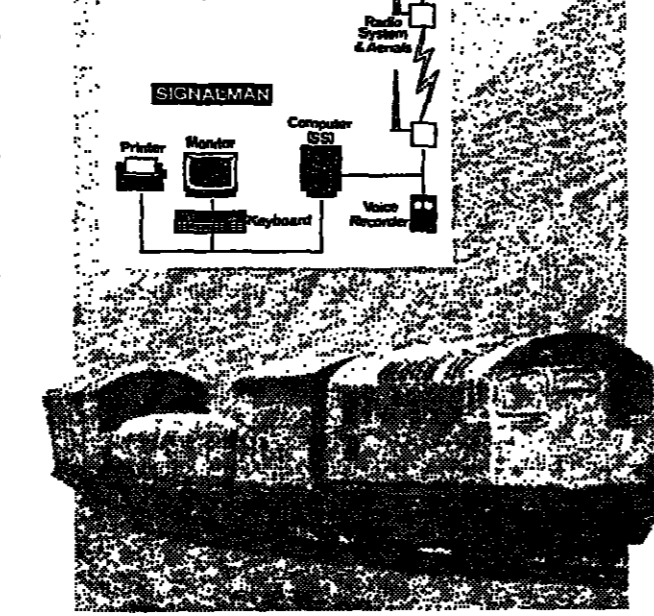
Across the room behind his visual display unit sits Ian Dalton in shirt sleeves, doing the work of not only George Munro but all 20 signalmen on the line along with their signal boxes and the miles of track-side cable which operate the old signals.

He also issues tokens but these are in the form of electronically coded signals sent by VEF radio to the train driver. They light up a small red display panel on a receiver in the cab of the train with the name of the stretch of track (say Dingwall to Garve).

The small computer gives Mr Dalton a graphics display of the track, its passing loops and shows which trains are where. It will only issue a token or permission to run on a section of track if it is clear. The system could handle virtually any length of track and number of trains simultaneously.

"Today Dingwall, tomorrow the world," observed George Hendry, the traffic superintendent for the Kyle line, exploding into a laugh.

The driver approaching the next section of his run presses a button on his receiver to in-



New radio train despatch works

terrogate the system and request permission to proceed. This request is processed electronically and the dispatcher then issues the go-ahead token to the train which has its own code number.

In truth, the older system seems more at home on the Highland line which operates largely for the benefit of tourists crossing the Highlands on their way to Skye.

The line, which stopped first at Stromferry in 1870 when funds ran out after slicing through rock hillsides, was completed in 1896, and gives some stunning views of the Highlands.

Using seasoned rolling stock, and going through some magnificently timeless countryside the cost of the operation does not sink in. The pace is a leisurely 30 miles an hour to prevent unnecessary wear on the line but the passengers are by and large not looking for an express ride.

One of the three trains a day pulls a 1930s vintage observation car which for an extra fee offers comfy livingroom arm-

chairs and a commentary from a hostess.

According to British Rail, the new system—about a third of which was financed by the EEC—represents an investment of \$415,000 which will be entirely covered by two years of operation. It will cut costs by \$77,000 a year thereafter.

But information is scarce on the real saving to other lines. British Rail does not reveal the operating cost of each line or, for that matter, the proportion of costs represented by signalling and the eventual profit or loss figures on a route. What it does indicate is that the system will lose less and therefore be less prone to future cuts.

Other lines await similar attention including the Inverness to Wick run in the far north, the West Highland line from Glasgow to Oban. In England, possibilities include the Ipswich to Lowestoft and Exeter to Barnstable lines.

British Rail say no export enquiries have been received as yet but for countries with slow single track lines, the potential is there.

The name of this game is convergence

Video & Film

BY JOHN CHITTOCK

IT IS exhibition and conference time for the television and video industries and along with the flush of new products comes a renewed determination to get down to serious business. Just finished in Brighton has been the huge International Broadcasting Convention; starting this month are the London Multi-Media Market, Photokina in Cologne, VIDCOM in Cannes, the prestigious U.S. conference of the Society of Motion Picture and Television Engineers—and many more events covering everything from video piracy to interactive video.

There is never a shortage of new products which are arguably slightly better than the ones they replace or challenge. So there were new professional video cameras from JVC (impressive in demonstrations), improved broadcast videotape from Sif (claiming an outstanding performance), an all-electronic animation system from Quantel that promises to take image processing to higher levels of flexibility, and a Sony video graphics system that offers semi-professional standards at a remarkably low price. The list is endless and the benefits beyond coherent assessment.

What is important, perhaps, is the identification of trends. The business follows technical and commercial waves of fashion, and it helps to be ahead in spotting the future trends.

The name of the game at present is convergence. Not the technical term for the alignment of red, green and blue signals in a television tube (an adjustment problem no longer besetting TV receivers), but the marriage of different technologies in order to yield added value.

Computers dominate this convergence process. It is becoming impossible to exploit the benefits of television without an understanding of computers. Although the connection has been mostly of relevance only to engineers, users are no longer safe in their ignorance.

One of the issues of 1984 responsible for this trend is interactive video, and video discs in particular. Along with the exhibitions and conferences, interactive video is popping up all over the place—reaching perhaps a climax later this month when Britain will open its National Interactive Video Centre in London.

Two weeks ago, Phillips ran an

active programs to be remotely up-dated.

Another area of convergence for video is the marriage of hi fi sound to domestic VCRs. Although the impact of this on home video has yet to be fully experienced, the industry clearly believes that it is going to be big business. The major duplicating houses are investing heavily in the new hi fi equipment—such as REW Video Duplication, who have announced the installation of 170 Betamax hi fi recorders and over 500 JVC VHS hi fi machines.

The other important arrival this month on the home video scene is the combined video camera-recorder for VHS users. The Ferguson-branded version of this will be one of the features in a \$3.75m advertising campaign (along with hi-fi video, compact disc and simple old television sets).

Despite the synergy of new technologies, film continues to make its contribution. One of the most interesting video demonstrations I have seen in recent times paradoxically owed its success to film philosophy. In unveiling the new JVC professional cameras, Bell & Howell (the UK agents) used a film cameraman turned TV cameraman—Geoff Boyle—to shoot the tests.

Mr Boyle explained that as a film man he prefers to re-align TV cameras to yield picture quality similar to film. This involves internal adjustments to the camera, which is normally set to reproduce the tonal scales in precisely similar steps to the original subject. But the consequence of this technically accurate approach can produce, on television, burnt out highlights and solid black shadows. Film reproduction is much more gentle, with shadows and highlights "sloping" away gradually.

The results of Mr Boyle's "readjustments" greatly impressed a technical audience. It reminded us that the television engineers can still benefit from the film industry—if willing to mix craft with technology.

Perhaps that could be the next trend over the horizon. As the law of diminishing returns slows down the technical advances, the pragmatists could show the engineers that old ideas offer exciting prospects of marriage to open-minded suitors.



Electronics

Goldless chip paste

JOHNSON MATTHEY Chemicals has introduced a new expensive silver-glass paste called AuSub designed to replace gold in hermetic packages involving large area silicon chips.

The company says it effectively fills the gap between expensive gold silicon eutectic bonding and silver filled organic compounds which cannot be used in hermetically sealed packages because of outgassing and degradation.

Typical uses include ceramic dual-in-line packages, sidebrake, pin-grid array and ceramic chip carriers. AuSub facilitates high speed automation; no special equipment is necessary and a throughput of 2,000 units an hour is possible.

Materials

Ceramic air valves

JAPANESE COMPANIES NEK and Asahi Glass have jointly developed ceramic valves for use on blast furnace tuyere piping to control the flow of hot blast air.

According to the developers, this is the first commercial use of this kind of ceramic valve in the steel industry. The valves function well in temperatures of 900-1200 degrees Centigrade and pressures of four kilograms per square centimetre.

Turbulence is reduced through the use of a special joint structure in which the ceramic valve is connected to a metal drive shaft.

The first of these valves were installed on tuyere piping of the Ogasawara No 3 blast furnace at NEK's Kelm Works in March this year.

TWA First Class.



TWA Royal Ambassador Service in First Class is in a class of its own.

It's dedicated to giving you the most restful, relaxing and luxurious flight across the Atlantic.

We make sure it starts right, with boarding cards and seat reservations before you go to the airport. We make sure you have a comfortable

Lie back and enjoy it.

First Class lounge at the airport.

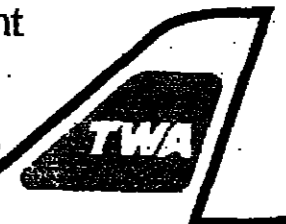
Then we make sure your flight will be perfect. Lie back and enjoy our soporific Sleeper-seats. Sit up and appreciate a leisurely meal of superb food and wines, served in the style of a first class restaurant.

Everything about TWA First Class travel is designed to make your flight comfortable and trouble-free.

And, if you're flying to New York, you'll find our free helicopter service ready to take you into Manhattan. We want you to enjoy every moment.



You're going to like us



THE ARTS

New Contemporaries, ICA/William Packer

Fine Art at the barricades

The entire exhibition space of the ICA is now occupied (until October 21) by the New Contemporaries exhibition...

But in times of economic retrenchment and constraint, in higher education quite as much as in any other sphere of our national life, the arts are always vulnerable...

There have been many betrayals of our art schools, which is to say of our community of artists, actual and potential...

Well, hints at possibilities are hardly promises, and we should not be too surprised that nothing much has ever come of them...

The irony of crisis, open or incipient is as long and depressing as the list of schools itself: Sheffield, now underfunded and underfunded; Wolverhampton in the same case; Liverpool, its recognition in Fine Art lost...

On dear, oh dear: what is so special about education in Fine Art, that its trimming down, when education of all other kinds is suffering too, should matter so much?



'Five Travellers' by Edward Summerton

is an immediate cause of the difficulty. But behind that cause lie many contradictions and confusions. In spite of everything we have continued to maintain, even at times to extend, a system of art education peculiar to ourselves...

Half the point has perhaps at last been taken, for the importance of design to our industry and commercial health has lately become a conventional platitude of the whole alphabet...

when there was Good Art and Bad Design or, rather more to the point, Bad Art and Good Design—and to debate fine art education now is to put at risk the true value of the education in design that some in industry and government now say they would encourage...

But artists are resilient creatures, or they would not be artists; and still, every year, our fine art schools produce somewhat their crop of lively, intelligent and creative individuals...

Who knows who might be here this time? All I can do is mark your card unfairly and arbitrarily: the paintings in the upper galleries of Paul Gough, Elaine Brown and Edward Summerton, and downstairs, Jonathan Waller, all of them figurative; the sculpture, a stone-carving, of Vega Bernajo-Castellano just inside the door...

rooms, devastatingly realistic, and the little bronze Suncart of Tim Sandys-Renton. As for Film and Video and Performance, I can say nothing of them for I was unable to give them time enough to do them justice.

There are village shows and village shows, and while the local art exhibition might have a certain charm, one would be loth to suggest that curiosity triumph over even moderate distance. But it is not every such exhibition that can draw upon the work of artists and craftsmen from all over southern England...

Every late September these ten years past, Margie Crawford and Georgina Harvey, of Thursley in Surrey, have squeezed as much art and craft as possible into the pint pot of their village hall; and every year they have tried to make sure the latest show is if not bigger, then most certainly better than the one before it.

Last year local sponsors came forward for the first time bearing prizes; and this year £1,000 has been offered by the Capital Chapman Group of Haslemere. The judges were Carol Weight RA, lately professor at the Royal College of Art, Jan Jenkin, Principal of Camberwell School of Art, and your own critic. If you wish to see what our judgement was, the Thursley Exhibition remains open every single day, from 10 till 6, until October 14.

The rediscovery of a mature work by a great composer is an exciting event. Rossini's last Italian opera and his first for Paris, Il ruggio a Reims, was highly praised in its day and had long been thought lost. It was staged at the Théâtre-Italien in 1825 in celebration of Charles X's coronation...

Il ruggio a Reims, it was devised to show off the Italian troupe at strength. The cast—10 famous principals and eight cadet singers—was led by the brilliant tenor Corbelli...

The virtue of Andrei Serban's new production of The Love for Three Oranges, which opened the Geneva season at the Grand Théâtre, was that it provided a new impetus to the form...

With Taramelli behind him and King Sing to follow in Boston, it is very much Serban's year of Gozzi, whose "magical mirror" theatrical metaphor was taken quite literally here in a tall, spacious, three-sided set of reflecting panels and gallery.

The greatest portrait group by Joseph Wright of Derby: "Mr and Mrs Thomas Colman setting out to ride"—comes under the hammer at Christie's on November 23. The auction house is expecting bids in excess of £1.5m. When it was painted in 1770-71 it sold for £63.

Christie's yesterday, with the better items going for well over their estimate. A pair of hexagonal vases with domed covers in the Imari style sold for £10,040, well above forecast.

A voyage to Pesaro

display of science, charm, melodic invention, grace, skill, and high spirits. Le Comte Ory has been aptly characterised as a bridge between Così fan tutte and Bellini's Bciratrice et Bénédict...

Pesaro sought to assemble a worthy all-star cast. Claudio Abbado conducted, Luca Ronconi produced, and the 10 principals were Cecilia Gasdia (in the Pasta role), Lucia Valentini Terrani, Lella Cuberti, Katia Ricciarelli, Edoardo Gimeñez, Dalmacio

Andrew Porter reports on a "lost" work by Rossini revived in the composer's birthplace.

but they were properly placed, and the use of house lights and front-of-house romps by cast and chorus kept the element of jest and parody to the fore without becoming repetitive or tedious.

The only weaknesses were the impersonal, over-regimented treatment of the stage audience, which reduced the chorus to the status of plastic marionettes, and the inhibited orchestral playing, well-orchestrated by Horst Stein but not sufficiently virtuosic in execution.

The casting had been handled intelligently. Much of the performance's wit emanated from a group of experienced character-singers including Jules Bastin as the King, Michel Tremont as Léandre and Jocelyne Tailleur's Princesse Clarisse, a delicious cross between one of

not encouraged, or even allowed, to phrase with individual delicacy and charm. The opera was staged—though "staged" is hardly the word—not in the charming little Teatro Rossini but in the even smaller concert hall of the Rossini Conservatory.

Ramey, for example, sang mihi a tender confession of love with no trace of intimacy, while his Corinna attitudinized upstage. Ricciarelli was in poor form. Valentini Terrani's voice sounded worn both above and below. Gasdia was not well suited by Corinna's music (Pasta at this time was termed a prima donna contralto).

L'Amour des trois Oranges/Geneva

Andrew Clark

gestures more akin to American musical—encompassed both comedy and pathos. The comprimarios all sang with panache, the French text came across understandably, and on clarity of conception and realisation pervading the whole enterprise reflected Prokofiev's own precise description of what he was aiming for: an evening of "amusing opera."

The Financial Times Wildlife Photographic Exhibition, a collection of photographs taken in Zambia by Glyn Genin, Picture Editor of the FT, opened yesterday at the City Museum in Bristol. It is part of the month-long Bristol Wildlife Festival.

Arts Guide

Opera and Ballet

PARIS
Macbeth conducted by Georges Frétre in a new production by Antoine Vitez with Renato Bruson as Macbeth and Shirley Verrett in the role of Lady Macbeth. Paris Opéra-Palais Garnier. (7425750).

WEST GERMANY
Berlin, Deutsche Oper: Ophélie and Eurydice is well cast with Frances Quiver, Lucia Posenock and Carol Malone. La Bohème has Pilar Lorange and Franco Tagliavini. The first new production of the new Ring cycle, produced by Götze Friedrich, features Simon Estes, Gottfried Horvik and Cheryl Studer (94381).

Hamburg, Staatsoper: The week starts with Zar und Zimmermann, masterfully interpreted by Jutta-Renate Blöf and Udo Kreckow. Pelléas and Mélisande is of respectable standard with Ryland Davies and Judith Blegen in the main parts. Die Entführung aus dem Serail brings together Gabriele Fontana, John Dickie and Alexander Malta. (91151).

Musical/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

London
Royal Opera, Covent Garden: The new production of Tannhäuser, kind in the Royal Opera's post-war history (the previous two were notably unlucky), is by Elijah Moshinsky; Colin Davis conducts, and the cast includes Klaus König, Garyneth Jones, Eva Randova and Thomas Allen. The rest of the bill is filled by Italian opera revivals. Tosca, with Mara Zampieri splendidly fresh and eloquent in Don Pasquale with an entirely new principal quartet (Ma-

ne McLoughlin, Alejandro Ramirez, with Alberto Rinaldi, Pamela in the title role). (240106).

London
Royal Opera, Covent Garden: The new production of Tannhäuser, kind in the Royal Opera's post-war history (the previous two were notably unlucky), is by Elijah Moshinsky; Colin Davis conducts, and the cast includes Klaus König, Garyneth Jones, Eva Randova and Thomas Allen. The rest of the bill is filled by Italian opera revivals. Tosca, with Mara Zampieri splendidly fresh and eloquent in Don Pasquale with an entirely new principal quartet (Ma-

Chicago
Lyric Opera (Civic Opera): The company's 50th season opens with Eugene Onegin conducted by Bruno Bartoletti with Mirra Freni as Tatiana and Wolfgang Brendel in the title role in Pier Luigi Samaritani's production; and Willy Decker's production of Arabella with Kiri Te Kanawa in her local debut and Ingar Wenzel as Mandryka, conducted by John Pritchard. (332244).

London
Royal Opera, Covent Garden: The new production of Tannhäuser, kind in the Royal Opera's post-war history (the previous two were notably unlucky), is by Elijah Moshinsky; Colin Davis conducts, and the cast includes Klaus König, Garyneth Jones, Eva Randova and Thomas Allen. The rest of the bill is filled by Italian opera revivals. Tosca, with Mara Zampieri splendidly fresh and eloquent in Don Pasquale with an entirely new principal quartet (Ma-

London
Royal Opera, Covent Garden: The new production of Tannhäuser, kind in the Royal Opera's post-war history (the previous two were notably unlucky), is by Elijah Moshinsky; Colin Davis conducts, and the cast includes Klaus König, Garyneth Jones, Eva Randova and Thomas Allen. The rest of the bill is filled by Italian opera revivals. Tosca, with Mara Zampieri splendidly fresh and eloquent in Don Pasquale with an entirely new principal quartet (Ma-

London
Royal Opera, Covent Garden: The new production of Tannhäuser, kind in the Royal Opera's post-war history (the previous two were notably unlucky), is by Elijah Moshinsky; Colin Davis conducts, and the cast includes Klaus König, Garyneth Jones, Eva Randova and Thomas Allen. The rest of the bill is filled by Italian opera revivals. Tosca, with Mara Zampieri splendidly fresh and eloquent in Don Pasquale with an entirely new principal quartet (Ma-

Brussels
XX Century Ballet directed by Marie Belet. Masses pour le Massif Futur. Circus Royal (218202).

London
Royal Opera, Covent Garden: The new production of Tannhäuser, kind in the Royal Opera's post-war history (the previous two were notably unlucky), is by Elijah Moshinsky; Colin Davis conducts, and the cast includes Klaus König, Garyneth Jones, Eva Randova and Thomas Allen. The rest of the bill is filled by Italian opera revivals. Tosca, with Mara Zampieri splendidly fresh and eloquent in Don Pasquale with an entirely new principal quartet (Ma-

London
Royal Opera, Covent Garden: The new production of Tannhäuser, kind in the Royal Opera's post-war history (the previous two were notably unlucky), is by Elijah Moshinsky; Colin Davis conducts, and the cast includes Klaus König, Garyneth Jones, Eva Randova and Thomas Allen. The rest of the bill is filled by Italian opera revivals. Tosca, with Mara Zampieri splendidly fresh and eloquent in Don Pasquale with an entirely new principal quartet (Ma-

London
Royal Opera, Covent Garden: The new production of Tannhäuser, kind in the Royal Opera's post-war history (the previous two were notably unlucky), is by Elijah Moshinsky; Colin Davis conducts, and the cast includes Klaus König, Garyneth Jones, Eva Randova and Thomas Allen. The rest of the bill is filled by Italian opera revivals. Tosca, with Mara Zampieri splendidly fresh and eloquent in Don Pasquale with an entirely new principal quartet (Ma-

ENERGY REVIEW
every Wednesday in the Financial Times

Handwritten text at the bottom of the page, possibly a signature or note.

UK NEWS

Bank of England says growth rate faltering

BY PHILIP STEPHENS

THE UNDERLYING growth rate of Britain's economy seems to be faltering, with the outlook for consumer spending, exports, and investment indicating a slower pace of expansion, the Bank of England says in its latest Quarterly Bulletin.

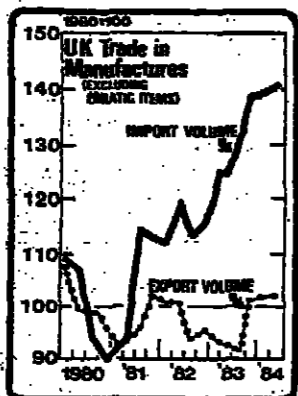
The bulletin, published yesterday, says output this year has been depressed by the miners' strike, making it difficult to gauge the real strength of economic activity. Indicators are, however, that if the impact of the miners' and dockworkers' disputes are excluded, growth has slowed from the 3 per cent annual rate seen last year.

The Bank says there are signs that, even after the miners' strike is settled, underlying growth will not recover to its previous rate.

Consumer spending, which has far provided the main engine of recovery, is expected to slacken as the ratio of personal saving to income falls to low levels and higher rates for house mortgages discourage borrowing.

Rises in investment and exports will compensate only partly for the slower growth in personal consumption.

Industrial investment grew at an annual 20 per cent between the third quarter of 1983 and the first quarter of this year. That rate is



forecast to slow next year, however, despite the continuing buoyancy of company profits.

The Bank says the trend in non-oil trade is similarly not encouraging.

Exports rose by an underlying 9 per cent in the first half of this year and imports increased by 12 per cent. Much of the growth in imports was represented by manufactured goods rather than raw materials.

Allowing for the effects of the miners' strike, total output grew by about 1 1/2 per cent between the second half of 1983 and the first half of 1984. Between the two halves of 1983, output had risen by 2 1/2 per cent.

The Bank says inflationary pressures in the economy have remained weak, with downward pressures on prices helped by the flat trend in international commodity prices.

As productivity growth slackens, the bulletin says, higher pay settlements are pushing up unit wage costs. For many of Britain's principal competitors, the costs have been falling. The effect has been to wipe out the competitive advantage provided by sterling's steady fall against most other currencies.

At the same time, the decline in sterling's effective exchange rate since mid-1983 has put upward pressure on import prices, which rose at an annual rate of 10 per cent between the third quarter of last year and the second quarter of 1984.

On unemployment, the Bank says that simultaneous increases in the number of people in jobs and those claiming unemployment benefit can be partially explained by a rise in the number of women taking part-time work.

There is no sign so far of a fall in the 10,000 to 15,000 average monthly increase in the unemployment total, it states.

The Bank gives a warning that the recovery in Europe remains fragile.

A COMBINATION of industrial and political action to combat the policies of the Government was urged by Mr Eric Heffer, the Labour Party chairman, in his opening address to the conference yesterday.

There was sustained applause for his declaration of support for the striking miners and his refusal to accept last week's High Court ruling that the strike action taken by the National Union of Mineworkers in Yorkshire and Derbyshire was unlawful.

Mr Heffer described the judge's decision as a "political judgment" and insisted: "Like other political judgments, it must be resisted." He accused the Government of using its anti-trade union legislation and the force of unemployment to weaken and depress the conditions of working people.

Mr Heffer, who recalled the central role played by the trade unions in creating the Labour Party, claimed that the history of the movement showed that industrial and political struggle both had a place and that the importance attached to their respective roles could alternate.

Today, with this reactionary government, both industrial and political action are essential. They should be seen as complementary to each other.

He claimed that the democratic gains made by the British people

and the advances made by workers through the efforts of the trade unions were now at risk from a government which was "Mrs Thatcher's own creature."

Any minister who sought to oppose her was crushed and the Government was being more and more centralist and authoritarian in character, he said. "What we are witnessing is not the fascism of Hitler and Mussolini, nor the military dictatorship of a Pinochet or Franco, but the creation of a sort of controlled democracy."

He described it as a "sort of top-hatted fascism, a mixture of

Conference reports by Our Parliamentary Staff

Thatcher's Victorian values and modernistic techniques, and Orwellian Big Sisterism, where the workers are kept in, as they believe, their proper place - at the bottom of the heap."

Labour activists were warned by two prominent right wingers not to damage the party's electoral prospects through internal divisions.

Mrs Gwyneth Dunwoody, a member of the Shadow Cabinet, urged delegates to "avoid the appearance

of division, the intolerant language, the turning in on ourselves," which could only destroy the party's hopes of government.

Mr Denis Howell, a parliamentary spokesman on home affairs, said that every division was self-defeating, and a betrayal of those who looked to the party for help.

The conference backed a motion from Apex, the clerical union, calling for a shake up in party organisation to improve its effectiveness in campaigning. It called for a campaign to convince skilled workers "the majority of whom did not vote

for us at the last election," that their interests would be best served by the return of a Labour Government.

Mr Howell urged delegates to remember that Labour held only 29 of more than 230 parliamentary seats, south of the Midlands, of which only six were outside London. He believed there was a need to re-appraise the party's regional structure, and headquarters organisation.

Mrs Dunwoody said Labour could achieve nothing without electoral success. She urged activists to campaign in defence of the National Health Service, and on jobs and industry to convince people that the battle for socialist ideas was important to everyone.

Mr Denis Healey, Labour foreign affairs spokesman, has given a warning that "bellicose American rhetoric" could provoke the Soviet Union to launch a pre-emptive nuclear strike.

Interviewed in the conference newsletter of the Fabian Society, a group which advocates democratic socialism through reform, he said that President Reagan was pursuing a Star Wars defence system while the U.S. military establishment was pressing Nato to adopt a new "deep strike" strategy against Eastern Europe and Western Soviet Union.

The Labour Party at Blackpool

Heffer calls for fight on two fronts

Pledge to renationalise BA

LABOUR WILL renationalise British Airways (BA) and return without compensation any routes handed over by the Government to British Caledonian or other private airlines, the conference was told yesterday.

Mr John Prescott, Labour's parliamentary spokesman on transport, said the Cabinet had decided to transfer profitable routes from BA - due to be privatised next year - in the name of competition.

"These routes belong to the nation and a Labour government will return them to a public sector carrier, with no requirement to pay compensation," he said.

Delegates backed a call by the National Union of Railwaymen (NUR) for all transport assets privatised by the Government to be renationalised "without any ensuing profit."

They also condemned the Government's plans to extend competition in bus transport and called for a campaign against rail closures and the rundown of British Rail subsidiary companies.

Mr Prescott said the Government's transport policies had cost 150,000 jobs since 1979 (when the Conservatives came to power). The British merchant fleet was losing two ships a week to foreign compe-

dition, the railways were threatened with massive route cuts and the Government's White Paper (policy statement) on buses would seriously damage bus services.

Mr Jimmy Knapp, general secretary of the NUR, said Labour had to demonstrate that public ownership would provide the best transport service for the whole of the community.

He demanded higher investment in the railways and urged Labour to stand up and fight to defend jobs and services.

Mr Larry Smith, National Officer of the Transport and General Workers' Union, said six transport Acts since 1979 had brought chaos.

'Mixed success' for EMS on currencies

BY OUR ECONOMICS STAFF

THE EXCHANGE-RATE mechanism of the European Monetary System (EMS) has had mixed success in reducing currency fluctuations, the Bank of England says in a special article in its Quarterly Bulletin on the variability of exchange rates.

The study says the establishment of the EMS in 1979 does seem to have reduced gyrations between currencies within the system. However, their volatility against the dollar, the yen and other currencies outside the mechanism has not changed. At the same time, fluctuations between non-EMS currencies have also declined.

The Bank says its findings suggest that there has been a further strengthening of the principal trading partners into two distinct groups.

Currencies in each group appear less susceptible to sharp movements against others in the same group, but exchange-rate volatility between the groups has not been reduced.

Sterling has not been particularly aligned with either group, it says.

The Bank also concludes that exchange-rate volatility has had little impact on trade flows between the UK and U.S. That contrasts with indications that the volume of West German-U.S. trade has been reduced by currency fluctuations.

Bank of England Quarterly Bulletin, September 1984. From Economics Division, Bank of England, London EC2R 8AH. Annual subscription: UK £27, students £8; Europe £23, air mail £38 to C44. Single copies UK £7.50, students £3. Europe and surface mail elsewhere £3.

French turkey producers seek £19m damages

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

FRENCH TURKEY producers are to ask the High Court to award them £19m damages against the Ministry of Agriculture for losses they suffered when the ministry put an embargo on the import of turkeys from France in 1981.

The court yesterday gave five French producers judgment on their claim that they were entitled to damages for the ministry's breach of statutory duty. Mr Justice Mann said that the amount of damages would be assessed at a later hearing. The ministry is to appeal.

The judge said the embargo had been imposed "for the purpose of preventing the introduction of disease into Great Britain." He rejected the ministry's contention that the turkey producers were entitled

only to seek a declaration as to their legal rights and not to claim damages.

He held that the ministry's breach of duty was shown by a European Court of Justice decision in July 1982, that the embargo was a breach of the UK's obligations under Article 30 of the Treaty of Rome.

The court said that the facts suggested that the UK's real motive had been to block turkey imports from EEC countries, in particular from France, for commercial and economic reasons, as a result of pressure from British poultry producers.

Imports from France were resumed in November, 1982.

Steel mill halted by fire

IRE has put a British Steel Corporation (BSC) rolling mill at Scunthorpe out of action for an indefinite period.

Fire broke out in the basement of the mill, which rolls steel billets in to machine-sized structural sections, early yesterday morning. More than 100 firemen took 3 hours to get the blaze under control. BSC believes the fire may have been caused by an electrical fault or a leak of hydraulic fluid.

BRITTOIL is to develop the smallest oilfield in the North Sea. The Devon field lies 130 miles north east of Shetland and holds 14m recoverable barrels of oil.

DR BOBB WILMOT, chief executive, is to be next chairman of ICL, the largest British-owned computer company. He succeeds Sir Michael Edwards, former head of ICL, who has left ICL.

USE OF DDT for crop protection has ceased with a formal agreement between agrochemical makers and the Government. The agriculture department said it had voluntary agreement that companies would no longer make products containing DDT.

HIRE PURCHASE leading has slowed. Official figures show that new consumer credit in August was 5 per cent below the July figure at £932m.

Action on 'fraud' demanded

By John Moore

MR IAN HAY DAVISON, chief executive of the Lloyd's insurance market, yesterday said that it "would be helpful if the authorities took action" over alleged fraud within the Lloyd's community.

Mr Davison, interviewed on BBC radio, said that Lloyd's had made representations to the authorities over the matter in the last year and had approached the Bank of England, the Department of Trade and Industry and the Director of Public Prosecutions.

He said that Lloyd's had co-operated with the authorities, which had been given copies of Lloyd's own internal reports.

"When the actions go further than the breaches of Lloyd's rules and involve crime," he said, "we think it right that there should be proceedings taken. And, of course, it indicates to the world at large that the authorities are behind us at Lloyd's in seeing that these matters are cleared up and put straight."

Mr Davison was speaking after the publication of a letter by Sir Michael Havers, the Attorney General, to Mr Ian Grist, MP for London. Mr Grist had said: "I find the present extent of City (of London) fraud quite unacceptable as well as being very damaging to the many honest firms."

Concorde trusts Shell oils



Shell Oils Technology you can trust

Shell Lubricants UK have developed a range of over 700 lubricants to meet British Industry's needs. AeroShell turbine oils, lubricating and cooling; hydraulic oils for flying controls systems; grease for actuator and undercarriage mechanisms - over 50 products have been designed to keep the world's major airlines running smoothly.

TO FIND OUT HOW OUR TECHNOLOGY CAN HELP YOURS PLEASE CONTACT SHELL LUBRICANTS UK, COBDEN HOUSE, STATION ROAD, CHEADLE HULME, CHESHIRE SK8 5AD. TEL: (061) 483 3000. TELEX: 669120 SHLLUB G.



Abu Dhabi premium threatens to disrupt Opec's pricing

BY RICHARD JONES IN LONDON

ABU DHABI is threatening to cut unilaterally the premium charged for its top quality Murban crude in a move that could provoke adjustments by other members of the Organisation of Petroleum Exporting Countries (Opec) and disrupt its shaky price structure.

Partly as a result of the drop in demand for Murban crude, Abu Dhabi's output has fallen to about 800,000 b/d compared with the 900,000 b/d at which it was running, and UAE production as a whole (including Dubai and Sharja) in August was below 1m b/d compared with an Opec entitlement of 1.2m b/d.

In an interview published at the weekend Dr Mana Said al Otaiba, the United Arab Emirates Minister of Oil, who is also responsible for Abu Dhabi's petroleum affairs, told the Middle East Economic Survey: "I would like to state very clearly that Abu Dhabi will deal with this problem alone and in a manner compatible with its interests with the minimum violation of Opec rules."

Litings by the companies - British Petroleum, Shell, Compagnie Française des Pétroles, Exxon and Mobil - are understood to have fallen recently to less than 90,000 b/d. The equity partners, which have a 40 per cent stake in the operation, can obtain their requirements from the state's share more cheaply on the spot market where the price has recently been \$1.20-\$1.40 below the official selling rate of \$2.60 per barrel.

Abu Dhabi has been pressing its equity partners on the onshore oil operation to maintain litings of Murban at nearer their full entitlement of 200,000 barrels per day from the maximum 500,000 b/d output permitted from the field.

At a recent meeting with Dr Otaiba they are believed to have argued that the differential should be reduced or that, alternatively, Abu Dhabi should ease the tax terms.

Brewery project for China

PEKING - The AMS group of West Germany has signed a contract to set up a joint beer-making venture with China, the official Xinhua newsagency reported.

The \$35m brewery will be in the central China city of Wuhan on the Yangtze River, one of the hottest parts of the country. The Peking Everbright Company is the Chinese partner in the joint venture, to be called the Sino-German Yangtze River Brewery.

It will take about two years to set up the factory and annual production will start at about 100m bottles. Equipment will be imported from West Germany.

John Davies in Frankfurt adds: AMS Anlagen-Planung in Hamburg confirmed yesterday that it planned to join the Chinese in setting up a brewery at Wuhan.

One of the group's executives is in China to discuss the project.

Kieran Cooke on the prospects for Inco's Indonesian nickel mine Uphill struggle for a model project

OVER the past 17 years, Inco the Canadian mining company, has pumped more than \$870m into a nickel mining project at Soroako on the Indonesian island of Sulawesi.

On a remote lakeside site, it has created one of the world's largest surface mining operations, built a three-line plant, three towns, schools, a hospital, an airstrip, a golf course, a 165MW hydro facility and a 60 km access road through dense jungle. To the Indonesian Government, it is a model project. But the plant, the biggest single foreign investment in Indonesia, has yet to make a single cent profit and is a big contributor to the overall Inco company debt of about \$1bn.

In 1982, five years after it came on stream, the Soroako plant lost more than \$90m. Last year that was cut to \$35m, partly, admittedly, because of internal restructuring of company debt. The immediate cause of the losses is the continuing low price of nickel on the world market.

Inco's chairman, Mr Chuck Baird, says the company needs a price of

about \$2.50 a pound for its nickel to break even. In recent weeks the London Metal Exchange price for nickel has stuck stubbornly at between \$2.10 and \$2.20, despite evidence of general destocking.

Nickel accounts for more than 51 per cent of Inco's total sales and the company has been severely affected by low prices coupled with generally low world demand and increased competition. Inco has nearly halved the workforce at its main mine in Ontario, mothballed a big nickel project in Guatemala and seen its share of the world nickel market - excluding the Soviet Union and Cuba - slump from 80 per cent in the mid 1960s to about 30 per cent. The Soroako plant itself has been threatened with closure.

However, local president and managing director Mr Jim Guiry, says: "It is cheaper to run it at present than not to." There have had to be radical cost-cutting moves to keep the project going. "Two years ago" says Mr Guiry "Inco decided that it could not wait for nickel prices to rise. In-

stead, everything had to be done to make it cheaper. The name of the game now is cutting production costs."

Moves so far have been to halt all but the most vital capital expenditure; freeze wages; and cut the workforce from 4,500 to just over 3,000.

At the same time, production has been almost doubled from 30m, pounds of 75 per cent nickel matte in 1982.

The plant runs round the clock, 365 days a year and, according to Mr Guiry, it sells all it can produce. However, because of the considerable infrastructure Soroako has to support and its low productivity compared to other similar Inco operations, production costs are higher at about \$2.90 a pound, meaning that between 70 cents and 80 cents is being lost on every pound of nickel produced.

Nevertheless, analysts feel that Inco would be very reluctant to write off such a large-scale investment now. They point out that Soroako, sitting on top of what is be-

lieved to be one of the world's biggest laterite nickel reserves and producing about 5 per cent of the non-communist world's nickel, is well placed to take advantage of any surge in demand, particularly in the far east.

Japan is at present the main market for Soroako's output, taking about 90 per cent of production. The rest goes for highly specialised processing to Inco's Clydach plant in South Wales.

Last year 38m pounds was shipped to Japan. This year the target is 55m, or about 30 per cent of the total Japanese market. Inco has benefited from ties it has with several Japanese companies. A consortium of six companies took an initial 25 per cent share of equity in the project, although that has declined to 2 per cent as the plant has been expanded.

Other markets are being considered and company officials are especially anxious to enter the Chinese market, where demand for nickel for a whole range of products - including the rims on millions of bicycle wheels is likely to grow in coming years.

Canada considers action on Spanish steel imports

BY BERNARD SIMON IN TORONTO

CANADA is to consider the imposition of countervailing duties on imports of wide-flange steel beams and columns from Spain following complaints from Algoma Steel, the only domestic producer of the items.

Under Canadian legislation, countervailing duties equal to the amount of foreign subsidies may be levied on imports where material injury to domestic production has been shown.

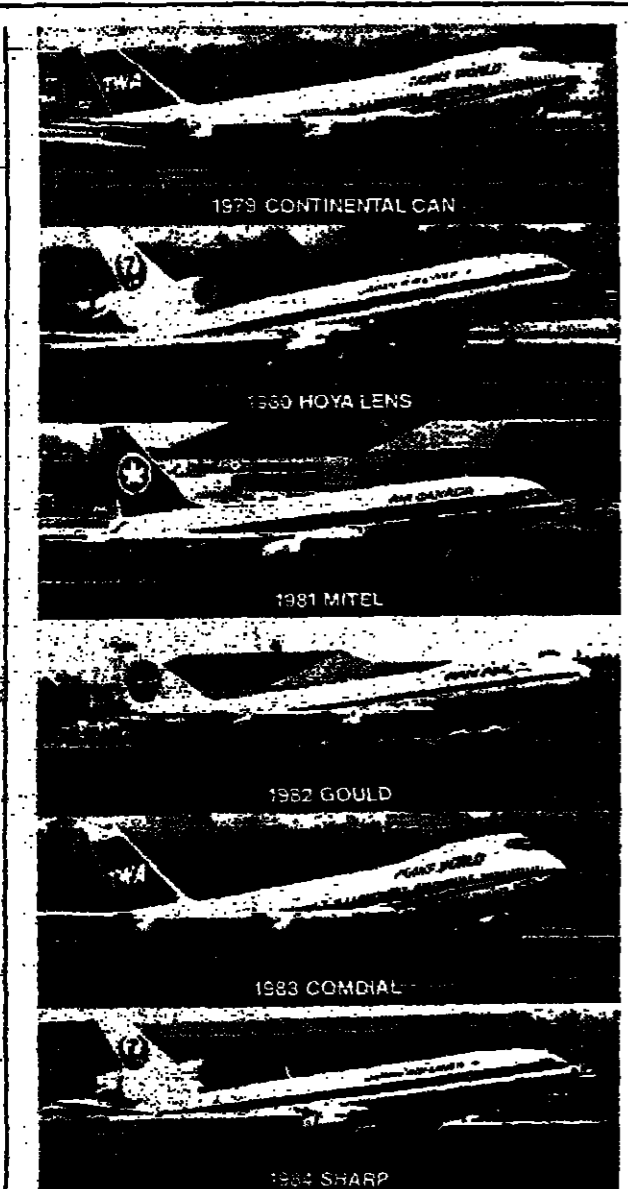
The investigation is one of only half a dozen into countervailing duties conducted by the Canadian authorities in the past four years. Earlier this year, duties were levied on imports of canned ham and luncheon meats from the EEC.

The existing procedure is expected to be overhauled soon to streamline the investigation of countervailing duty requests, bringing them into line with the procedures for anti-dumping measures.

Algoma Steel has alleged that the Spanish Government is subsidising the production and sale of steel beams through three separate programmes, including preferential government loans and injections of capital to steel producers. Spain accounted for 48 per cent of Canadian imports of these items in the first three months of this year.

Japan will cut 1984 video cassette recorder (vcr) exports to the European Community by over 10 per cent from an original quota of 3.95m sets for the year, Reuters reports from Tokyo. International Trade and Industry Ministry officials said the measure was necessary because of rising vcr stocks in the EEC. Japanese vcr exports to the EEC in the first eight months of calendar 1984 fell 8 per cent from a year earlier.

According to an official of the Department of National Revenue, Customs and Excise, the investigation is likely to be completed by the end of the



How soon will you land up in Wales?

I'm thinking of relocating my existing business/establishing a new one. Tell me why it would take off in Wales.

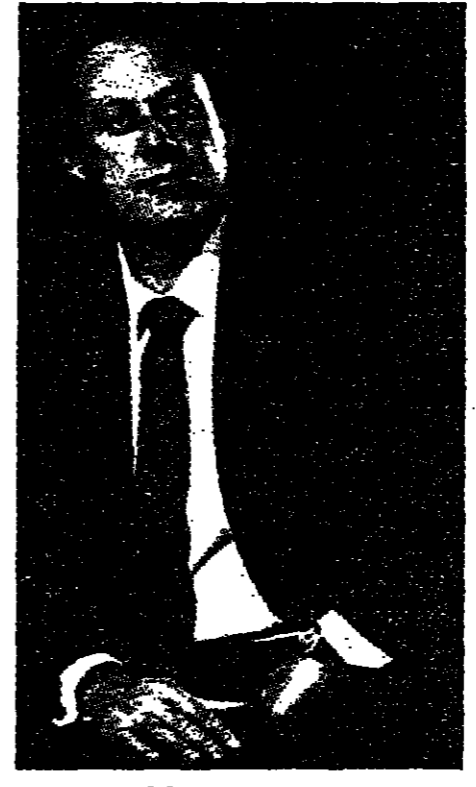
Name: _____
Position: _____
Company: _____
Address: _____
Tel No: _____

WDA
Wales Development Agency
252, BOR LEO, GREYFRANS ROAD, CARDIFF CF1 1WF. TEL: CARDIFF (0222) 32955.

ADVERTISEMENT

FOCUS ON SOUTH AFRICAN COMMERCE AND INDUSTRY

SA Breweries - new chief executive takes an aggressive line



Mr Meyer Kahn

Meyer Kahn, managing director of South African Breweries, speaks in this interview with Richard Rolfe, London-based international editor of Finance Week of Johannesburg.

Kahn: Much of what you want to ask me is covered in our annual report - we've hit new highs in disclosure this year.

Rolfe: You've spoken of the quality of your earnings, particularly the low variation between current cost and historic cost figures. How have you done this?

Kahn: There are a couple of fundamental reasons. One is that we have continual annual revaluations in our beverage division and we do exactly the same in our hotel division. In the rest of our diversified interests, every three years, we have a formal outside revaluation of plant, machinery, fixtures, fittings and properties. Our assets are therefore always current in our balance sheet and the phenomenon is less than a 5% variance between a totally strict inflation accounted version of our earnings last year in comparison with the earnings which go to shareholders.

When you look at our 20% after-tax return on shareholders' funds, despite the huge downturn in the economy, it must be seen against the background that all our assets have been revalued. On the historical cost, our returns are mind-boggling so we are in fact very proud of that, but it is interesting that last year we increased our earnings by 5%, which really indicates that despite the difficult economic conditions we are trading in, management have done a tremendous job.

We have always been proud of the quality of our earnings in SAB. We are a high-quality business with high-quality earnings. In fact, we have brought it to the shareholders' attention for the first time in this year's accounts.

Rolfe: You attacked powerfully what you see as government discrimination against your business. Have you had any response?

Kahn: Initial response from the Press has been sympathetic but it is not necessarily an attack by us per se. The stakeholders in our beer division are far more than just our shareholders; they are the beer drinkers of South Africa and this warrants an open and frank review of the liquor industry.

We do not wish to attack the government but we will certainly do our best to gain public sympathy for our case, because we feel there has been discrimination of a serious nature. We would be less than honest and failing in our duty if we did not bring this to the attention of the South African public.

It seems that political reasons, rather than economic and commercial, have resulted in the preferential treatment accorded to the wine industry. If government wants to subsidise the wine industry to the tune of R250m or R300m a year, then it should be part of a national budget and everybody should be assisting in that subsidy. They should not take it out of the beer industry.

Rolfe: You have said all this much more strongly than SAB has in the past. Why is this?

Kahn: I think it is more style than anything else. I am probably a little more aggressive than most people, but I think that if you are a marketing company you need to be aggressive but responsibly ag-

gressive. I do not think any of the comments we have made in our Annual Report are irresponsible or non-factual.

We would obviously hope to have further discussions with the government on a regular basis to eliminate the discrimination.

Rolfe: Obviously, they are not going to reverse their policy totally. What results do you expect?

Kahn: If the government is sincere in its apparent promotion of low alcohol beverages it should recognise once and for all that beer is the lowest alcohol drink by volume available and therefore, if anything, beer should be treated more favourably than wine and spirits. Beer comprises a third of total alcoholic beverages in South Africa and we pay 65% of the excise.

Wine, which has double the alcohol content of beer, is exempt from excise. Beer is the working man's drink worldwide and there is nothing any government can do to convert a beer-drinker into a wine-drinker. Beer-drinking countries have two fundamental features. The first is obviously climatic conditions. The second is that you require a large blue-collar work force and this country has it. Beer sales should therefore continue to grow at the expense of wine sales.

It has happened worldwide and there is nothing anyone can do about it. To subsidise the affluent wine drinker at the expense of the less well off beer drinker, would be economic suicide.

Rolfe: What growth in beer sales are you experiencing?

Kahn: It is strongly linked to the state of the economy. If we look at our rate of growth in beer sales over the last four years, it has moved from 40% - and I am talking about volume sales - to 20%, 9%, and last year to 5%. Thus you can see a clear decline due to the state of the economy.

The average growth in the last 20 years has been about 12%. There is no reason, taking into account the peaks and valleys, that over the next 20 years, the beer market should not grow at a rate of approximately 10% to 12%.

Rolfe: On a five-year term, what do you expect to spend on capital account?

Kahn: Over a five-year period, certainly not less than a billion rand, but it depends very much on the state of the economy. As an example, if you are talking about a brewery the size of Rosslyn costing R270m in 1983-4, then to replace it in 1985, 1986 or 1987 means you are talking about huge sums of money.

Today South Africa is probably the only country worldwide which has the potential for a consumer explosion and though there will be peaks and valleys, it will be based on the fact that 80% of our population will increase their real standards of living very substantially in the future.

SAB has invested much time, energy, money and marketing expertise into the black market where we are the dominant force today.

For Edgars and OK to show 20% reduced earnings during the worst trading conditions that this country has ever experienced does not worry us; in fact it indicates a reasonable performance when you take into account that they are mainly dependent on black consumer spending which has been severely restricted. When the economy recovers, these chains will regain their former rating almost immediately. They have in effect not lost market share.

I am pleased with the balance and focus of our investments. The downturns in OK and Edgars do not compare badly with similar operations in the marketplace. OK has been criticised in the Press but I think unfairly - they have not really done badly at all in the present economic climate.

Rolfe: Since its split with Sun International, Southern Sun's market rating has fallen. Do you think this is justified?

Kahn: No, I don't believe so at all. I believe that business goes through certain cycles and companies are often built around legendary figures. When these people leave the business still carries on. I think it was Genie Smuts who said that "the dogs bark, but the caravan moves on". Southern Sun is as well managed today as it was in the past. It has excellent management and some great hotels. It dominates the three to five-star hotel market in South Africa. It also owns 25% of the exciting casino operation which is still run by Sol Kerzner who has a dynamic image in international circles.

Last year, when hotel occupancies dropped 10%, Southern Sun's earnings dropped 7%. This was a remarkable performance considering it had lost a chief executive who was the backbone of the business but the new team closed ranks and ran the business, coming within 7% of the previous year's record earnings. People say the sun has gone out of Southern Sun but there are other companies that have shown a 40% drop in earnings.

The key to hotel operations is occupancy rates. When the occupancies reach 60% we break even and when it exceeds 65% you cream the profits. Occupancies at Southern Sun in the record years have been as high as 82% and currently they are running at 65% due mainly to the poor state of the economy. I am highly confident about Southern Sun and it is no coincidence that SAB holds 86% of Southern Sun and refuses to part with even 1% of its holding.

Rolfe: Do you think it is likely to get into a major round of expansion?

Kahn: In the last 12 months we have opened up the Cape Sun, which is a R55m hotel. We have also opened up the Sandton Sun which is a R50m hotel and we are currently building a R110m 800 room luxury hotel in the centre of Johannesburg. In addition we are spending R25m on refurbishing existing hotels. Now if that isn't growth and capital expenditure and putting your money where your mouth is, then I would be interested to know what is.

Rolfe: Have you had any success in developing black executives within the group?

Kahn: Yes, we have but we still haven't done enough. We have never been guilty of window-dressing. We have set ourselves objectives in terms of training and development of black executives, particularly at the middle management level, because that is where the hard core of our business lies. One could argue that we are doing it from moral grounds. This is not so - we are doing it from pure selfish interests. We need executives at that level and, at every level in our business. We are a R5 billion company - there is no way we are ever going to manage our business with white skills alone.

SAB
South African Breweries Limited
Head Office: 2 Jan Smuts Avenue, Braamfontein 2017.
PO Box 1099, Johannesburg 2000
Tel Johannesburg 39-4711. Telex 4-22482.
Telegrams YEAST

THE MANAGEMENT PAGE: Small Business

EDITED BY CHRISTOPHER LORENZ

Grafting a team on to an idea

Tim Dickson explains how Cotag finally broke into the marketplace

"OCCASIONALLY," confides Stuart Evans, "I have this awful nightmare. It takes place in Santa Clara, California or Tokyo, Japan, and it features a little guy in his garage, frantically working away on an identical system to our coded tag."

All but the most foolishly cocksure entrepreneurs admit to these fears. But 34-year-old Evans, who has turned his back on a successful career in consulting and risked his house and surplus equity to invest in and take over the reins at Cotag International, actually spends more time thinking about the market place than looking over his shoulder for competitors sniping up from behind.

Cotag (formerly Tag Radionics) is a typical example of a small technology-led business which by grafting on marketing and commercial skills, is now striving to become a substantial company in the world-wide information technology field.

Its latest product—and the one which has just helped attract £1m. of "second round" financing from a City of London venture capital syndicate led by Equity Capital For Industry and comprising The Guardian Royal Exchange, Legal and General Assurance and Melville Street Investments—is a system based on miniature identification tags containing a custom built chip.

The system is designed for production automation, materials handling, vehicle and personnel identification and farm management, among other applications and can be used, according to Evans, in situations where immediate know-

ledge of the location and identity of a moving or stationary object can reduce costs and/or improve service levels, control and safety.

The key to its efficiency is a miniature low frequency radio transmitter—the "Cotag" which is programmed with a unique code or identity and attached to the person, animal or object. When it passes within range of a reading head this code is read and validated by an interrogator and the data then communicated to a computer or other control system for action or storage.

Development of the technology has cost upwards of £2m. and many man years of research and development. But while Evans and his colleagues are confident as they can be that they have a significant technological lead on the competition, they recognise that the major challenge is to get the idea out into the marketplace and quickly build up sales. (So far some "eight to 10" customers, mostly in the agricultural and mining industries, have made a significant commitment to Cotag and the same number again has bought the evaluation product.)

Formed in 1978 after electronics engineer John Falck and two small businessmen had thought up the idea in their sailing club—one of them, Keith Glenville, is still a director—Cotag International (or Tag Radionics as it was then) is a specialist in the design and manufacture of active Radio Frequency (RF) transponder systems. With support from the National Research Development Corporation (now the British Tech-



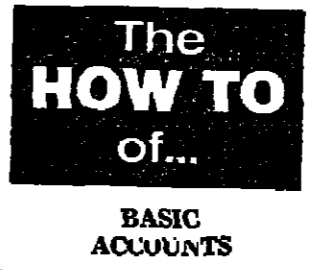
ECI's Jonathan Baker (left) with Cotag's John Falck (right) and Stuart Evans, who says: "Get money as cheaply as possible but also take account of the people who are providing it."

open to investors from September 14, allowing easy comparison of things such as the initial and other charges you will have to pay to join in. Pen portraits of each fund's managers give an indication of pedigree. Subscribers (£3.50) get an update of new funds launched during the life of the current edition. Harrison is offering this and the two winter editions, plus updating service, at a discounted price of £9.

LONDON-BASED Canseway

Capital has launched a new business expansion fund under the BES, with accountants Thornton Baker, merchant bankers J. Henry Schroder Waggs and Co, stockbrokers De Zoete and Bevan, and tax advisers J. F. Chown and Co. The fund is aiming for between £1m and £2m and will be looking for between five and 10 business expansion projects in the £100,000 to £450,000 range. Minimum investment in the fund is £2,000, maximum £40,000.

Time must be made to record transactions



KEEPING the books is a task frequently accorded a very low priority in many small companies—it is something to be done if and when there is time.

But there never seems to be spare time in a busy small business, especially if it is a new one. And since the cardinal rule of managing accounts is to record all transactions, time must be found.

It is no use merely keeping folders of invoices, purchase orders, petty cash vouchers, wages records and petrol bills and giving them to your accountant every so often with the instruction: "sort that lot out." It might be all right for businesses making so much profit and being paid so quickly by their customers that cash is always rolling in. But that is not often the case.

What kills most small businesses is a shortage of cash to meet tomorrow's bill. It may not matter that an order book is full and everyone is working overtime; the rules of commercial life are that debts must be paid when they are due. Default, and creditors can put a company out of business.

Keeping on top of the books is the first step towards not running into such problems. There are then two other sound rules: keep the system simple and summarise the company's position each month. Basically, copies of all sales invoices and credit notes to customers must be kept together with all invoices or purchase orders for materials and services bought, a cash book, a petty cash book, bank statements, and wages records.

As sales (and purchases) grow special ledgers may need to be kept to keep track of the larger numbers of transactions; but a simple principle should be adhered to in order to be able to record easily the ins and outs of the money going through the business.

The key document is the cash book. This is badly named

and is not to be confused with the petty cash book, which records how cash is spent on small items like the odd packet of envelopes. The cash book is a company's own record of its bank statement. Generally, about twice as many columns for payments as for receipts are needed.

Entries in the cash book will almost always be different from the bank statement because of delays in crediting cheques paid in and debiting cheques paid to creditors.

At least once a month, add the cash book up, cross-check with the bank statement, work out the balance and carry it forward as a receipt if in credit and as a payment if not.

This is the start of running a firm's accounts. The cash book will not reveal if a profit is really being made because receipts will relate to costs incurred earlier. To get a rounded picture, a simple form of management accounts will be needed (and will be looked at later in this series).

Compiled with the aid of "The small business scheme manual" copyright Collins & Grant Consultants Ltd, 1983.

Ian Hamilton Fazey

Diary dates

BIG business working in tandem with small business will be exemplified next week when the Teesside Small Business Club stages its Business '84 Exhibition, sponsored by the Trafalgar Group. This will be the eleventh of the club's business-to-business exhibitions and its theme will be "communications." A variety of examples of business systems will be exhibited. The venue is the Billingham Forum, in Cleveland, and further details are available from Stanley Newton, TSEC, 52 Corporation Road, Middlesbrough, Cleveland TS1 2RN. Telephone Middlesbrough 223421.

PLANNING Exchange is to repeat its seminar "Young people: the self-employment option" in London on October 25, following its success in Glasgow last June. Speakers from enterprise agencies with wide experience of youth entrepreneurship will review recent experience and the help available. Further information from Helen Glass, Planning Exchange, 186 Bath Street, Glasgow.

In brief

ENTRIES are now being invited for this year's five export awards for small businesses. Each will be worth £5,000, made up of £3,000 worth of business saved with British Consulates and/or Thomas Cook, £1,000 of expenses, and £1,000 for sponsor-approved benefits for each winner's employees.

Besides the airline and travel company, the other sectors are Mutual Bank (which also administers the awards) and the British Overseas Trade Board. Entry forms are available nationwide from any of the sponsors' branches or from supporters, which include Britain's chambers of commerce, the CBI and the TIC.

Half of last year's entrants came from London or the South East. The organisers are hoping for a more even national spread this time. To enter, companies must employ fewer than 200 people and be able to prove significant increases in export earnings in their most recent two-

Business Opportunities

EXPORT MARKETING AND PROMOTION OF COMMODITIES

The International Trade Centre UNCTAD/GATT is the focal point in the United Nations system for technical co-operation with developing countries in trade promotion.

Needs:

Highly qualified consultants to undertake short-term assignments (one to six months) in areas relating to the promotion and marketing of the following commodities: cocoa and cocoa products, coffee and processed coffee, tropical timber products, coconut products, hard fibres, vegetable oils.

Advisers for longer-term assignments (up to one year) to work with marketing boards in developing countries might also be needed.

Duties:

(a) Identify supply and marketing constraints as well as marketing and promotional opportunities and make recommendations for improving the competitiveness of specific commodities at national and international level.

(b) Advise on marketing management strategies and arrangements, including product adaptation and market development, market information systems, contracts and promotional measures at national and international level.

Requirements:

Prospective candidates will have at least seven years' practical experience extensively dealing with one or more of the above-cited commodities with university-level education or equivalent. Working languages are English, French and/or Spanish. Knowledge of more than one of these would be an asset. Ability to travel extensively.

Interested candidates should send their personal and professional data to:

Director, Division of Personnel Management
International Trade Centre UNCTAD/GATT
Palais des Nations, 1211 Geneva 10

PAINTS, COATINGS and ADHESIVES

A substantial European producer of specialised coatings for industrial application is seeking to establish a manufacturing base in the U.K.

An existing business active in coatings, or adhesives manufacture, is sought with a turnover in the range £500,000 to £5 million. Current profitability is not important.

Interested parties are invited to contact the company's financial advisers below:—

MR. CHRISTOPHER G. POULTON
MANAGING DIRECTOR
CADOGAN HUNTLEY LIMITED
22 HANS PLACE
LONDON SW1X 0EP
Telephone: 01-225 1488

Invitation from Norway

Well-established Norwegian company (Oslo based) wishes to expand its activities as representatives for British companies seeking deep penetration of the Norwegian market.

At present representing firms from several countries, including the United States, Canada, West Germany, France, Switzerland and Japan as well as the U.K., covering the sale of a wide range of products (raw materials, chemicals, and general equipment) to industrial fields such as: paper and woodwork; paint and varnish; plastics; textiles.

Write Box F5202, Financial Times, 10 Cannon Street, London EC4P 4BY

FOUNTAIN FORESTRY

FORESTRY IN NORTH AMERICA
OTHER BROOK FOREST, NEW HAMPSHIRE
\$10 acres
\$280,000

Contact: B N Howell, Fountain Forestry Ltd, 37 Queens Lane Street, London W1M 5PB, Phone 01 811 0645.

Factoring with Arbutnot

cash for expansion — from your own invoices

EXPORT SERVICES INVOICE DISCOUNTING

ARBUTHNOT FACTORS LIMITED
Breads Place, Hastings TN34 20Q Tel. (0424) 430824

LONDON 01-628 9676	BIRMINGHAM 021-643 8098	BRISTOL (0272) 279555
LEEDS (0532) 444570	MANCHESTER 061-636 1114	NEWCASTLE (0532) 614545
		NOTTINGHAM (0602) 598821

A money-off coupon especially for businessmen.

You won't find loan facilities like ours in any other coupon. We, the Opportunity Areas, supported by BSC Industry can offer your business the financial package that's just right. Including unsecured BSC(I) loans and low interest ECSC loans. In each of the 18 Opportunity Areas there is a local team on the ground, supported by BSC Industry. As long as your project is viable and will create new jobs, we'll give you all the help you need. So take advantage of our coupon now. It could save you a lot more than money.

For more information about the financial backing and the choice of locations write or telephone for our comprehensive Opportunity Pack to: BSC Industry, NLA Tower, 12 Addiscombe Road, Croydon CR9 3JH or telephone our Action Desk on: 01-686 0366 ext 300 (or outside office hours 01-686 2371).

NAME _____
POSITION _____ COMPANY _____
ADDRESS _____

TEL NO _____

THE 18 LOCATIONS ARE: SCOTLAND—LANARKSHIRE, CAMBUSLANG, GARNOCK VALLEY; ENGLAND—WEST CLIMBRIA, DERWENTSIDES, HARTLEPOOL, TEESIDE, SOUTH HUMBUR, ROTHERHAM, SHEFFIELD, CORBY, DUDLEY; WALES—DEESIDE, LLANELLI, BLAENAU GWENT, WEST GLAMORGAN, SOUTH GLAMORGAN, SOUTH GWENT.

CASHFLOW PROBLEMS

FACTORS OR INVOICE DISCOUNTING COULD BE YOUR ANSWER

World Manager, Regional Manager

century factors

26 GREAT ST. HELENS, LONDON EC3A 6AP
TEL: 01-253 9182

Century Factors is a wholly owned subsidiary of Globe Brokers Ltd

MAJOR CONSUMER MARKETS OPPORTUNITY

In the rapidly growing mineral water market plus real brand extension potential into those of soft drinks, fruit juices and beers. Majority partnership offered to further develop the potential of a unique British product of the highest quality.

Our water source is unique, marketable and secure. We need drinks market experience and bottling. Finance invited.

Write for details to Box F5223, Financial Times, 10 Cannon Street, London EC4P 4BY

EQUITY FINANCE REQUIRED

3 year old company with sole U.K. and European Manufacturing and Distribution rights for sophisticated range of corrosion inhibitors. Estimated sales 1985 £2 million pounds. Company under capitalised. Minimum requirement £100,000.00.

Write Box F5229, Financial Times, 10 Cannon Street, London EC4P 4BY

INVESTORS OPPORTUNITY

A change to invest in a high-tech company while expanding, for limited number of private units. Excellent prospects. Minimum £5k. Contact: A. Smith, A. J. SMITH & CO (Accountants) 200 White Street, Farnham, Surrey GU10 2JH. Telephone: 01256 224792

INVEST IN U.S.A.

Commercial Real Estate in high-technology areas. Produces \$94,000 gross, \$64,000 net. Price \$750,000. Principals: deal direct 01-564 3953

SALE OF TRADE MARKS, PATENTS, AND COMPANIES

London-based Company is in the position to assist in selling discontinued, unused Registered Trade Marks, Patents, viable Companies or shell P.L.C.

Principals only please send full details in strict confidence to: Box F5226, Financial Times, 10 Cannon Street, London EC4P 4BY

Crawford's Directory of City Connections

The City's most compact information system.

The only reference volume to list the links between more than 3,700 UK companies and 1,000 pension funds and their advisers, CRAWFORD'S publishes the client lists of professional advisers, and details the complex relationships between listed companies and financial institutions. Whichever city connection you need to know, you'll find it in CRAWFORD'S.

Price: £75.00. Payment with order please to: Linda Deali, Publications Department (FT), The Economist, 25 St. James's Street, London SW1A 1HG.

International Commercial Banking
BNP
UK 01-626 5678

SECTION II - INTERNATIONAL COMPANIES
FINANCIAL TIMES

Tuesday October 2 1984

Buy where your builder buys.
Branches - London and South East
ERITH plc
BUILDERS MERCHANTS

Akzo unit expands in U.S.

By Peter Sprinks in Amsterdam
AKZO COATINGS, the Dutch paint manufacturer, is to acquire the California-based paint unit of Bostik, a subsidiary of the Embart Corporation of Connecticut. The move, part of the group's expansion in the U.S. aerospace market, is being made through the Dutch company's U.S. subsidiary, Akzo Coatings America. Akzo refused yesterday to reveal how much the deal is worth, but said that the Bostik unit, which has a staff of 80 producing coatings for major U.S. civil and military aircraft manufacturers, expects gross sales this year to exceed \$7m. Akzo Coatings, which has invested capital totalling £1.65bn (\$1.89bn), is a division of the Dutch chemicals group, Akzo N.V., and is one of the world's largest coating manufacturers.

Disney lures Paramount executive to boost films

By PAUL TAYLOR IN NEW YORK
WALT DISNEY Productions, the U.S. entertainment group in the midst of a battle for control of the company, has taken another step towards bolstering and expanding its film division. Mr Michael Eisner, Walt Disney's new chairman and chief executive, and Mr Frank Wells, Disney's new president and chief operating officer, said they had hired Mr Jeffrey Katzenberg from Gulf and Western's Paramount Pictures unit to take over as Disney's president of motion pictures and television from February 1. Mr Katzenberg, aged 33, is one of Hollywood's youngest senior executives and will be in charge of all film production, marketing and distribution at Disney. Disney, which has had only mixed success with its film division in recent years, has

said it is seeking to expand film production and become more competitive with the other West Coast film studios. Disney's success in wooing Mr Katzenberg away from Paramount marks the latest in a series of senior management moves within the U.S. film industry, and at Paramount in particular. The changes began last month when Mr Barry Diller, Paramount's president resigned to move to 20th Century Fox. The following day Mr Eisner quit Paramount after being passed over for the Paramount chairmanship. Gulf and Western Industries, which has been undergoing a major corporate restructuring programme, yesterday reported net earnings from continuing operations of \$74.2m or \$1.05 a share on sales of \$1.1bn in its fiscal fourth quarter ending July 31, compared to \$63.6m or 85 cents on sales of \$945m in the same period last year. In the latest quarter net earnings were boosted by \$100,000 in earnings from discontinued operations, while in the year-ago period a \$487.2m write-off on certain operations made a net loss of \$401.6m. The latest results, which reflect the impact of the group's massive divestiture programme begun in August last year, lifted full year earnings from continued operations to \$263.3m or \$3.62 a share on sales of \$4.2bn against earnings of \$242.6m or \$3.15 on sales of \$3.7bn in the previous full year. After adjustments, net earnings in the latest full year totalled \$259.9m or \$3.57 a share

Anschutz buys rail group

By Our Financial Staff
RIO GRANDE Industries, the Denver-based railway freight company, has agreed to be acquired by Anschutz Corporation, a private company, for \$495m. Anschutz, with interests primarily in oil and gas, is headed by Mr Philip Anschutz, one of the wealthiest men in the U.S. It is offering \$50 in cash for each Rio Grande share, but the offer is conditional on 51 per cent of the shares being tendered. Rio Grande which earlier this year sold its computer time-sharing business to McDonnell Douglas, derives most of its earnings from its 1,900-mile Denver & Rio Grande Western Railroad. Net earnings last year were \$19.9m on revenues of \$314m. Rio Grande's shares were trading at \$52 at lunchtime yesterday, after being suspended at \$44.

FCA makes foray into CD markets

BY WILLIAM HALL IN NEW YORK
FINANCIAL CORPORATION OF America (FCA) made its first foray into the financial markets yesterday since it ran into financial difficulties six weeks ago and began a \$1bn offering of certificates of deposit (CDs) through a group of leading New York brokerage firms. Prudential-Bache Securities yesterday began the offering for FCA's main subsidiary, American Savings and Loan, the largest U.S. thrift institution. The offering is seen as an important test of confidence in FCA, which earlier this year faced a severe liquidity squeeze as depositors withdrew their money following the announcement of a second-quarter loss. The CD's which are being issued with maturities ranging from six months to seven years, are offering

a substantial premium over comparable issues. The six-month CDs are yielding 12.5 per cent, which compares with 11.1 per cent for U.S. bank CDs generally. Aside from Prudential-Bache, the other co-managers of the issue are Bear Stearns, First Boston, Goldman Sachs and Salomon Brothers. However, several well known firms are understood to have stayed out of the managing group because of worries about the financial health of FCA. Meanwhile FCA has dismissed its auditors, Arthur Andersen, the world's biggest accounting firm. Mr Popejoy said the decision did not result from any disagreement with Andersen, but the action is highly unusual and likely to dent the reputation of one of the world's leading accounting firms.

State aid reprieves Petromont

By Bernard Simon in Toronto
THE CANADIAN Government and the province of Quebec have agreed to provide C\$30m (U.S.\$22.9m) to prevent the imminent closure of a loss-making ethylene plant at Valence on the south shore of the St Lawrence river operated by Petromont, the Montreal-based petrochemicals group. The aid has also forestalled the shutdown of Union Carbide's polyethylene facility in Montreal, which buys almost two-thirds of Petromont's ethylene production. According to a Canadian Government statement, the assistance will allow the two plants to operate until the end of March 1985, pending a review of official oil and gas pricing and taxation policies. Studies are also under way to identify new customers for Petromont's productions and new downstream projects. The former Liberal Government, defeated in last month's general election, refused to provide additional funding for Petromont to cover 1983 losses. Petromont, jointly owned by the Quebec government's industrial holding company, SGF, and Union Carbide Canada, has already received C\$50m in official aid.

International Harvester agrees closure pact

BY TERRY DODSWORTH IN NEW YORK
INTERNATIONAL Harvester, the U.S. truck and farm equipment manufacturer, has given its trade union representatives a commitment not to close any further farm machinery plants in the U.S. for reasons of new technology, outsourcing or consolidation of operations. The promise was made as part of a temporary agreement with the United Auto Workers (UAW) on an indefinite extension of the company's present wages agreement. Only last week, IH announced plans to close its farm equipment plant at Memphis by next May, leaving it with only two facilities, at East Moline and Rock Island, in Illinois. The workforce in this division of the company, which is still suffering from depressed demand, has been cut by around a half to 2,850 in the last five years.

IH's statement says nothing about the future of its overseas factories, which are also suffering from over-supply in the industry, there have been suggestions recently that many U.S. companies in equipment manufacturing would place more emphasis on overseas sourcing to escape the effects of the strong dollar. The UAW is believed to have decided to extend its talks at IH until after it has reached agreement on a new wages contract with Mack Trucks and Volvo White Trucks. Because of the strong truck market at present, both of these companies are profitable. The union appears to have been concerned that any concessions it was forced to make at IH might be used as a lever to extract better terms by the other two companies.

Profits advance by 20% for Generali

BY ALAN FRIEDMAN IN MILAN
GRUPPO GENERALI, the Venice-based Italian insurance group, said its 1983 net profit rose by 20 per cent to L137.8bn (\$73m). Generali shares however, which are among the most actively traded on the Milan bourse, registered only a L100 rise on Friday to L36,800. Yesterday the price dropped to L32,350. The group results cover some 36 separate insurance companies, as well as various financial and property subsidiaries. The group's total invested funds amount to L1,153bn, an increase of nearly 19 per cent over last year. Generali's net capital at the end of 1983 was L1,594bn. Total premiums amount to L1,227bn, up 12.7 per cent on 1982. Of these, some L1,499bn are life premiums. MonteFibre, the man-made fibres subsidiary of Italy's Montedison chemicals group, said yesterday it

had emerged from the red for the first time in its history. The Milan-based company, which last year lost L58bn (\$30.8m), on total sales of L121bn, said that in the first half of 1984 it had made a net profit. Although MonteFibre declined to quantify the net income, it said that consolidated sales were up by 40 per cent on the same period of 1983, to L450bn. Domestic sales were 13 per cent higher, while exports grew by 18 per cent in the first six months of this year. Overseas sales represent 33 per cent of total turnover. MonteFibre's revamped product strategy means the group is now concentrating on two sectors - polyesters and acrylics. The company says its full-year results will confirm the trend of the first six months.

Warning from Baldwin-Utd.

WASHINGTON - Baldwin-United, the U.S. financial services company which filed under Chapter 11 of the U.S. bankruptcy code a year ago, said in a filing with the Securities and Exchange Commission (SEC) that its "extremely serious" problems may bar stockholders from recovering any of their investments. The company also disclosed that the SEC is "likely" to bring an enforcement action against it and that "some form of an adverse outcome" is likely. Baldwin-United made the disclosures in its financial report for the year ended December 31, 1983. The company predicted that few creditors, if any, would be paid their claims in full.

Crédit Lyonnais increases issue

BY DAVID MARSH IN PARIS
CRÉDIT Lyonnais, the second largest French nationalised bank, has increased its capital market issue of titres participatifs (TPs) or non-voting loan stock, to FFf 2bn (\$213.4m) from the originally

planned FFf 1.5bn, because of strong demand. The issue, the largest TP launch yet made by a state-owned bank or industrial company, is designed to strengthen the bank's capital base.

NOTICE TO HOLDERS OF NIPPON KOGAKU K.K.
(Incorporated in Japan)
\$5% U.S. Dollar Convertible Debentures Due March 31, 1992
Pursuant to Section 5.04(1) of the Financial Agency Agreement dated as of February 25, 1982 under which the above-mentioned Debentures were issued, notice is hereby given as follows:
1. The Company has made a free distribution of shares of its Common Stock to shareholders of record as of September 30, 1984 on Japan (September 25 in New York City) at the rate of 0.16 new shares for each share held.
2. Accordingly, the conversion price at which the above-mentioned Debentures may be converted into shares of Common Stock of the Company has been adjusted effective as of October 1, 1984 (Japan Time) from Yen 508.30 per share of Common Stock to Yen 823.30 per share of Common Stock.
NIPPON KOGAKU K.K.
By: The Bank of Tokyo Trust Company as Fiscal Agent
Dated: October 2, 1984

YOKOHAMA ASIA LIMITED
(Incorporated in Hong Kong)
U.S.\$100,000,000
GUARANTEED FLOATING RATE NOTES DUE 1994
Unconditionally and irrevocably guaranteed as to payment of principal and interest by THE BANK OF YOKOHAMA, LTD. (Incorporated in Japan)
Notice is hereby given that the Rate of interest for the initial interest period has been fixed at 11 1/2% p.a. and that the interest payable on the relevant Interest Payment Date, April 2, 1985, against Coupon No. 2 in respect of US\$10,000 nominal of the Notes will be US\$594.03.
October 2, 1984, London
By: Citibank, N.A. (CSSI Dept), Agent Bank **CITIBANK**

New Issue This announcement appears as a matter of record only. October 1984

The Mortgage Bank and Financial Administration Agency of the Kingdom of Denmark
(Kongeriget Danmarks Hypotekbank og Finansforvaltning)

£75,000,000
Guaranteed Floating Rate Notes due 1999, Series 99

Unconditionally guaranteed by
The Kingdom of Denmark
Issue Price 100 per cent.

County Bank Limited

Bank of Tokyo International Limited Merrill Lynch Capital Markets	IBJ International Limited Orion Royal Bank Limited
Algemene Bank Nederland N.V. Bank Brussel Lambert N.V. Commonwealth Bank of Australia Crédit Lyonnais Daiwa Bank (Capital Management) Ltd. Dresdner Bank Aktiengesellschaft Fuji International Finance Limited	Allied Irish Banks Limited Banque Paribas Crédit Commercial de France Dai-ichi Kangyo International Limited Dominion Securities Pitfield Limited Enskilda Securities Skandinaviska Enskilda Lincard
Hill Samuel & Co. Limited Lehman Brothers International Shearson Lehman/American Express Inc. LTCB International Limited Mitsui Trust Bank (Europe) S.A. Morgan Stanley International Nomura International Limited Saudi International Bank Al-Bank Al-Saudi Al-Alami Limited Svenska Handelsbanken Group Takagin International Bank (Europe) S.A.	Girozentrale und Bank der österreichischen Sparkassen Aktiengesellschaft Kidder, Peabody International Limited Lloyds Bank International Limited Mitsubishi Finance International Limited Morgan Grenfell & Co. Limited The National Commercial Bank (Saudi Arabia) Sanwa International Limited Sumitomo Trust International Limited Swiss Bank Corporation International Limited Westdeutsche Landesbank Girozentrale
Andelsbanken Danabank Fællesbanken for Danmarks Sparekasser	Bikuben Den Danske Provinsbank A/S Sparekassen SDS

Advisor to the Issuer
Danish Project Finance

This announcement appears as a matter of record only. September, 1984

MAGYAR NEMZETI BANK
(NATIONAL BANK OF HUNGARY)

US\$ 85,000,000
Loan Placement Facility

Managed by

Bankers Trust International Limited
The Bank of Nova Scotia Group
Union Bank of Norway Group
First Chicago Limited
Postipankki
Central-European International Bank Ltd.
The Fuji Bank, Limited
The Mitsui Bank, Limited
The Mitsui Trust and Banking Company Limited
United Gulf Bank, B.S.C.
(Bahrain)
Banco di Napoli International S.A.
State Bank of India


Bankers Trust International Limited
Placing and Paying Agent

INTL. COMPANIES and FINANCE

All of these Securities have been offered outside the United States. This announcement appears as a matter of record only.

New Issue / September, 1984

U.S. \$100,000,000



Wells Fargo & Company
(a California Corporation)

13 3/8% Subordinated Notes Due September 28, 1991

Salomon Brothers International Limited

Amro International Limited	Banque Bruxelles Lambert S.A.
Barclays Bank Group	Commerzbank Aktiengesellschaft
Creditanstalt-Bankverein	Girozentrale und Bank der österreichischen Sparkassen Aktiengesellschaft
Goldman Sachs International Corp.	LTCB International Limited
Merrill Lynch Capital Markets	Mitsui Finance International Limited
Samuel Montagu & Co. Limited	Morgan Grenfell & Co. Limited
Morgan Guaranty Ltd	Morgan Stanley International
Nippon Credit International (HK) Ltd.	Orion Royal Bank Limited
Svenska Handelsbanken Group	Swiss Bank Corporation International Limited
S. G. Warburg & Co. Ltd.	Wardley

Takeover costs limit advance at Elders

By Our Financial Staff

ELDERS IXL, the diversified Australian pastoral and finance group which last year took over the country's leading brewer Carlton and United, has reported net profits of A\$72.18m (U.S.\$60.67m) for the year to June, against A\$64.34m previously.

Although turnover of the enlarged group was up to A\$5.58bn from A\$3.69bn the heavy interest bill arising from the funding cost of the CUB takeover held back the group's profits. Interest payments for the year more than doubled to A\$95.2m.

However, Elders said that plans to cover the borrowings by a combination of a rights issue and the sale of assets had been going ahead on schedule. The company has already announced plans to sell assets worth some A\$500m by the end of 1984 and said that by June of this year more than A\$270m had been raised through such sales.

The net profit declared is after tax of A\$14.37m and the interest payments but before minority interests of A\$731,000. In addition an extraordinary loss of A\$3.29m was posted.

Earnings per share were up to 45 cents from 39 cents and a one-for-two scrip issue is to be made. The dividend total for the year is an unchanged 20 cents and the scrip issue shares will be eligible for the 8 cents final.

The group's pastoral activities benefited from a full year of recovery from Australia's long drought. The finance division experienced strong profits growth but international trading activities were hit by currency and other difficulties.

Delay to opening of Hong Kong Futures Exchange

BY DAVID DODWELL IN HONG KONG

THE OPENING OF THE Hong Kong futures exchange has been delayed until at least January by the need to publish a prospectus and to clarify commodities trading laws, Dr Kim Cham, the chairman of the commodities exchange, has revealed.

Dr Kim said the new exchange will be able to accommodate 150 new members in addition to the 153 members who make up the present commodities exchange. It is likely to cost at least HK\$500,000 (US\$64,000) to become a full member.

The delay is a blow to the local market. Singapore, a keen competitor in such areas, opened its financial futures exchange just a month ago, with a direct link with the Chicago Mercantile Exchange in the U.S. Hong Kong had hoped to open its futures market before Singapore. Until recently, Hong Kong's commodities Commission had talked of an opening this month.

A contract based on the Hang Seng Index is likely to be the first traded on the exchange when it eventually opens. Currency and interest rate contracts are expected to follow, based on the Hong Kong dollar, Eurodollars, the Japanese yen, and the D-mark.

The new exchange, which is intended to replace and inject life into the present Commodities Exchange, will have four divisions — agricultural products, metals, indices, and currencies and interest rates. Trading in agricultural products already exists, based on cotton, soy and sugar, while metals trading is limited to gold futures.

The fresh delay comes from the unexpected need to publish a prospectus on the expansion of membership and the need to clarify the compensation funds sections of the territory's existing commodities trading ordinance.

Full members will have to hold an ordinary share with a par value of HK\$ 100,000 and will be able to trade in all four markets. Market members will have to buy standard shares, with a HK\$ 25,000 par value, and will then pay separate fees to trade in the different divisions.

Dr Kim said new members will be "vigorously screened" and will have to pay "not less than" HK\$ 500,000 for their ordinary shares.

In an effort to stimulate trade, inactive members are likely to be subject to penalties on the loss of trading rights. This could jeopardise the use of booths on the trading floor, which will be in limited supply.

Over the weekend, the general office of the Commodities Exchange was moved to new premises so that work on an expanded trading floor could go ahead. This work is due to be completed in six weeks.

Good start for Elec and Eltek

BY OUR HONG KONG CORRESPONDENT

ELEC AND ELTEK, the Hong Kong electronics company that went public in February, has reported profits after tax for the year to June 30 of HK\$106m, more than double the HK\$40.1m generated in 1982-83. Turnover rose from HK\$312m to HK\$547m. Shareholders will receive a final dividend of 7 cents a share, and a special cash payout of 3 cents.

The company specialises in cordless telephones, mainly for the U.S. market, and in printed circuit boards. Headed by the Canton-born Mr David So, it has grown in 12 years from a tiny group employing 40 people, to being Hong Kong's leading electronics manufacturers, with a workforce of 3,500.

Its public flotation in February was oversubscribed an unprecedented 83.4 times and it earned extraordinary income of HK\$16m from the interest on the application money received. From an issue price of HK\$2 a share, its shares rose at one point to HK\$3.80, but have since fallen on the market to below HK\$1.90.

Mr So talked of 1983-84 as a year of "solid performance and continued progress." Profits reached the level forecast in the prospectus in February, but were below original expectations because of an increase in Hong Kong profits tax and difficult market conditions in the U.S. for the sale of cordless telephones.

He said the problems were "of a temporary nature," and were more than offset by an increase in the sale of printed circuit boards. He forecast that the main growth in 1985 would stem from sophisticated printed circuit boards and new telecommunications and computer products.

Record net purchases of foreign bonds in Japan

TOKYO — Net purchases in Japan foreign bonds, excluding Treasury bills, rose to a record \$2.44bn in August from \$1.97bn in July, reports the Ministry of Finance. The previous record was \$2.06bn in June.

The increase reflected active buying by institutional investors seeking capital gains as U.S. bond prices rallied, and the repeal of the U.S. withholding tax which prompted Post Office life insurance fund buying, bond traders said.

Purchases rose to \$5.08bn in August from \$4.05bn in July. Selling increased to \$2.64bn—from \$2.08bn in July.

Foreign borrowers floated five Samurai bonds in August to raise the equivalent of \$368m—compared with ten bonds for \$693m in July.

Borrowers issued 24 bonds abroad in August for the equivalent of \$970m against 29 bonds for \$1.18bn in July.

Malayan Banking after-tax profits show rise of 21%

BY WONG SULONG IN KUALA LUMPUR

MALAYAN BANKING, Malaysia's second largest banking group, made after-tax group profits of 101.6m ringgit (U.S.\$43.6m) for the year to June, a rise of 21 per cent. At the bank itself, after-tax profits were 20 per cent higher at \$4.3m ringgit.

The increase in earnings came from strong growth in deposits and loans in a tight money market. Total deposits rose by 42 per cent to 12.4bn ringgit, while loans rose by 26 per cent to 8.8bn ringgit.

The group's total assets increased by 29 per cent to 18bn ringgit to overtake Bank Bumiputra, the country's largest bank, where total assets for the year to end 1983 suffered a marginal drop to 16.1bn ringgit.

Bank Bumiputra used to hold 30 per cent of Malayan Banking, but this stake has been sold to Permodalan Nasional (PNB), the Malay investment agency, as part of last month's 2.5bn ringgit financial package to rescue Bank Bumiputra.

PNB now owns 37 per cent of Malayan Banking, after giving up its 86 per cent stake in Bank Bumiputra to Petronas, the Malaysian oil company.


The final dividend at Malayan Banking is 14 cents, making an unchanged 22 cents for the year.

Geating, the Malaysian casino, property, and plantation group, has again proved its fortunes to be sheltered from the recession by reporting a 30 per cent increase in pre-tax profits to \$4m ringgit (U.S.\$36m) for the six months to June. Turnover rose by 27 per cent to 184m ringgit and net profits were 33 per cent higher at 48.4m ringgit.

As in previous years, the bulk of earnings came from the Casino operations, although the plantation division made a significant contribution this time because of strong commodity prices.

Earnings per share rose to 22 cents compared with 17 cents, and the interim dividend is increased to 7 cents from 5 cents.

THIS ANNOUNCEMENT APPEARS AS A MATTER OF RECORD ONLY



KINGDOM OF SWEDEN
U.S. \$4,000,000,000
REVOLVING CREDIT,
SHORT-TERM ADVANCES AND NOTE ISSUE FACILITY

CO-ORDINATED BY:

THE BANK OF TOKYO, LTD.	CHASE MANHATTAN CAPITAL MARKETS GROUP
CITICORP CAPITAL MARKETS GROUP	MORGAN GUARANTY TRUST COMPANY OF NEW YORK
SVENSKA HANDELSBANKEN GROUP	

LEAD MANAGED BY:

ALGEMENE BANK NEDERLAND N.V.	AMSTERDAM-ROTTERDAM BANK N.V.	THE BANK OF NOVA SCOTIA GROUP
BANKERS TRUST INTERNATIONAL LIMITED	BANQUE INDOSUEZ	BANQUE NATIONALE DE PARIS
CHEMICAL BANK INTERNATIONAL GROUP	CIBC LIMITED	COMMERZBANK
		AKTIENGESELLSCHAFT
		CONTINENTAL BANK OF CANADA

CREDIT COMMERCIAL DE FRANCE
DEUTSCHE BANK
COMPTOIR D'ESCOMPTES DE LUXEMBOURG
THE LONG-TERM CREDIT BANK OF JAPAN, LIMITED
THE MITSUBISHI BANK, LIMITED
THE NIPPON CREDIT BANK, LTD.
SANTWA INTERNATIONAL LIMITED
THE SUMITOMO BANK, LIMITED
TORONTO DOMINION BANK
MERCHANT BANKING GROUP

CREDIT LYONNAIS
THE FUJI BANK, LIMITED
GULF INTERNATIONAL BANK B.S.C.
IBJ INTERNATIONAL LIMITED
THE DAI-ICHI KANGYO BANK, LIMITED

MANUFACTURERS HANOVER TRUST COMPANY
MARINE MIDLAND BANK, N.A.
MERCHANT BANKING GROUP
NATIONAL WESTMINSTER BANK GROUP
POSTIPANKKI
PKBANKEN
SKANDINAVISKA ENSKILDA BANKEN
SOCIETE GENERALE
SWISS BANK CORPORATION INTERNATIONAL LIMITED
THE TOKAI BANK, LIMITED
UNION BANK OF FINLAND LTD.
WESTDEUTSCHE LANDESBANK GIROZENTRALE
WESTPAC BANKING CORPORATION

MANAGED BY:

THE COMMERCIAL BANK OF KUWAIT S.A.K.	CREDIT SUISSE (BAHAMAS) LTD.	FIRST INTERSTATE BANK OF CALIFORNIA
GIROZENTRALE UND BANK DER OESTERREICHISCHEN SPARKASSEN AKTIENGESELLSCHAFT		
THE MITSUBISHI TRUST AND BANKING CORPORATION	THE MITSUBISHI TRUST AND BANKING COMPANY, LIMITED	
NATIONAL BANK OF CANADA	STANDARD CHARTERED BANK PLC	THE SUMITOMO TRUST & BANKING CO., LTD.
SWEDBANK		UNION BANK OF NORWAY
SPARBANKERNAS BANK		

CO-MANAGED BY:

B.A.C. - C.O.B. SAVINGS BANK	THE DAWA BANK, LIMITED	DIE ERSTE OESTERREICHISCHE SPAR-CASSE-BANK	GÖTABANKEN
THE HOKKAIDO TAKUSHOKU BANK, LIMITED		KANSALLIS-OSAKE-PANKKI	THE KYOWA BANK, LTD.
ÖSTERREICHISCHE LÄNDERBANK AKTIENGESELLSCHAFT		THE YASUDA TRUST AND BANKING COMPANY LIMITED	
ZENTRALSPARKASSE UND KOMMERZIALBANK, WIEN			


FUNDS PROVIDED BY:

THE BANK OF TOKYO, LTD.	THE CHASE MANHATTAN BANK, N.A.	CITIBANK, N.A.	MORGAN GUARANTY TRUST COMPANY OF NEW YORK
SVENSKA HANDELSBANKEN GROUP	ALGEMENE BANK NEDERLAND N.V.	AMSTERDAM-ROTTERDAM BANK N.V.	
THE BANK OF NOVA SCOTIA CHANNEL ISLANDS LIMITED	BANKERS TRUST COMPANY	BANQUE INDOSUEZ	BANQUE NATIONALE DE PARIS
BANQUE PARIBAS	CANADIAN IMPERIAL BANK GROUP	CHEMICAL BANK (GUERNSEY) LIMITED	COMMERZBANK INTERNATIONAL
CONTINENTAL BANK OF CANADA	CREDIT COMMERCIAL DE FRANCE	CREDIT LYONNAIS	THE DAI-ICHI KANGYO BANK, LIMITED
DEUTSCHE BANK	THE FUJI BANK, LIMITED	GULF INTERNATIONAL BANK B.S.C.	THE INDUSTRIAL BANK OF JAPAN, LIMITED
COMPTOIR D'ESCOMPTES DE LUXEMBOURG			
THE LONG-TERM CREDIT BANK OF JAPAN, LIMITED	MANUFACTURERS HANOVER TRUST COMPANY	MARINE MIDLAND BANK, N.A.	
THE MITSUBISHI BANK, LIMITED	THE MITSUI BANK, LIMITED	INTERNATIONAL WESTMINSTER BANK PLC	THE NIPPON CREDIT BANK, LTD.
POSTIPANKKI	PKBANKEN	THE ROYAL BANK OF CANADA GROUP	THE SANTWA BANK, LIMITED
SKANDINAVISKA ENSKILDA BANKEN	SOCIETE GENERALE	THE SUMITOMO BANK, LIMITED	SWISS BANK CORPORATION
THE TOKAI BANK, LIMITED	TORONTO DOMINION (CURACAO) NV	UNION BANK OF FINLAND LTD.	WESTLB INTERNATIONAL S.A.
WESTPAC BANKING CORPORATION	THE COMMERCIAL BANK OF KUWAIT S.A.K.	CREDIT SUISSE (BAHAMAS) LTD.	
FIRST INTERSTATE BANK OF CALIFORNIA	GIROZENTRALE UND BANK DER OESTERREICHISCHEN AKTIENGESELLSCHAFT		
THE MITSUBISHI TRUST AND BANKING CORPORATION	THE MITSUBISHI TRUST AND BANKING COMPANY, LIMITED	NATIONAL BANK OF CANADA	
STANDARD CHARTERED BANK PLC	THE SUMITOMO TRUST & BANKING CO., LTD.	UNION BANK OF NORWAY LTD.	
		SPARBANKERNAS BANK	
B.A.C. - C.O.B. SAVINGS BANK	THE DAWA BANK, LIMITED	DIE ERSTE OESTERREICHISCHE SPAR-CASSE-BANK	GÖTABANKEN
THE HOKKAIDO TAKUSHOKU BANK, LIMITED		KANSALLIS - OSAKE - PANKKI	THE KYOWA BANK, LTD.
ÖSTERREICHISCHE LÄNDERBANK AKTIENGESELLSCHAFT		THE YASUDA TRUST AND BANKING COMPANY LIMITED	
ZENTRALSPARKASSE UND KOMMERZIALBANK, WIEN	BANK MEES & HOPE NV LONDON BRANCH	BANK OF BRITISH COLUMBIA	
THE BANK OF NEW YORK	THE BANK OF YOKOHAMA, LTD.	BANQUE BRUXELLES LAMBERT S.A.	
CAISSE D'EPARGNE DE LETAT DU GRANDE-DUCHE DE LUXEMBOURG		CAISSE GENERALE D'EPARGNE ET DE RETRAITE	
BANQUE DE LETAT		ALGEMENE SPAR-EN LUFRENTEN-AS	
THE CHUO TRUST AND BANKING COMPANY LIMITED	DEN DANSKE BANK AF 1871 AKTIESELSKAB LONDON BRANCH		
THE FIRST NATIONAL BANK OF CHICAGO	THE FIRST NATIONAL BANK OF MARYLAND	FORSTA SPARBANKEN	THE GULF BANK K.S.C. KUWAIT
THE HOKURIKU BANK, LTD.	F. VAN LANSCHOT (JERSEY) LIMITED.		LASALLE NATIONAL BANK
OESTERREICHISCHE VOLKS-BANK - AKTIENGESELLSCHAFT, VIENNA	THE SAITAMA BANK, LTD.		SPARBANKEN MALLMOEHUS
SPARBANKEN NORD.	SPARBANKEN ROGALAND.	SPARBANKEN VEST.	SUNDSVALLSBANKEN
THE TAIYO KOBE BANK, LIMITED	THE TOYO TRUST AND BANKING COMPANY, LIMITED.	TRONDHJEMS OG STRINDENS SPARBANK.	

AGENT AND TENDER PANEL AGENT
CITICORP INTERNATIONAL BANK LIMITED

SEPTEMBER 1984

This announcement appears as a matter of record only



ACOM CO., LTD.
Tokyo, Japan

US \$ 40,000,000
EURODOLLAR SYNDICATED LOAN

Lead Managed by

BANQUE WORMS
MITSUBISHI TRUST & BANKING CORPORATION
(EUROPE) S.A.


Co-managed by

Nordic Bank PLC

Funds provided by

Banque Worms
Mitsubishi Trust & Banking Corporation (Europe) S.A.
Nordic Bank PLC
Australia-Japan International Finance Limited
Kansallis-Osake-Pankki (London Branch)
Societe Generale de Banque, S.A.
Bank of Montreal Asia Limited
Banque Louis-Dreyfus
Banque Wedge
Credit Commercial de France
Kreditbank N.V.
FK Christiania Bank (UK) Limited
Westdeutsche Landesbank Girozentrale

Agent



BANQUE WORMS

September, 1984

UK COMPANY NEWS

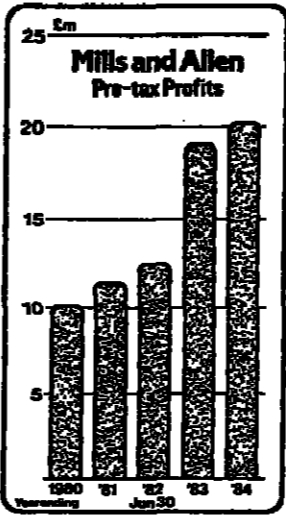
Mills & Allen 'resilient' with 6% increase

ALTHOUGH the rate of progress slowed in the second half, Mills & Allen International have lifted pre-tax profits from £19.97m to £20.21m for the year to June 30 1984.



Sir Ian Morrow, chairman of Mills and Allen International... sees promising prospects for United Communications after flotation

It is very unfortunate for Mills and Allen that just as it wants to float off most of its advertising operations, these produce some very mediocre figures.



Stylo trims losses in first six months

DESPITE HIGHER depreciation and interest charges, Stylo, footwear retailer and wholesaler, managed to trim its pre-tax losses from £583,000 to £549,000 in the six months to July 28 1984.

Rugby Cement lifts interim

IMPROVED performance by Rugby Portland Cement's overseas operations, together with a swing of some £700,000 back into profit by the related companies more than offset a downturn in the UK activities over the first half of 1984.

INDEX TO COMPANY HIGHLIGHTS

Table listing various companies and their page numbers under the index.

Blue Bird Confectionery nears £0.3m

THE ELIMINATION of exceptional charges this time together with lower interest charges enabled Blue Bird Confectionery Holdings to lift its profits before tax from £206,000 to £293,000 over the year to June 30 1984.

BSG tops £2m: benefits of rights to come

THE INTERIM results of BSG International, showing a rise for the second successive year, have borne out the optimism expressed by Mr H. A. Whittall, the chairman, last June at the time of the £10.8m rights issue.



Mr H. A. Whittall, chairman of BSG

which had taken place over the previous four years. In his outlook for the current year, Mr Whittall said levels of trading were 'encouraging'.

RUGBY CEMENT

Interim Report

The Directors of The Rugby Portland Cement P.L.C. announce that the unaudited Group results for the six months to 30th June 1984 were as follows:-

Table showing financial results for Rugby Cement for six months to 30th June 1984 and 31st Dec 1983, including Turnover, Trading Profit, Net interest and investment income, etc.

The results for the year to 31st December 1983 are an abridged version of the Company's full accounts for that year which received an unqualified auditors' report and have been filed with the Registrar of Companies.

Although the U.K. Cement Group achieved relatively good increases in its sales tonnages these were not sufficient to offset the cost increases suffered. Rom River Placship, following its reorganisation, produced a small trading profit.

London Shop raises £12m through debenture placing

London Shop Property Trust has raised £12m through a placing of debenture stock to continue its rapid investment programme in High Street retail properties of the last couple of years.

in general tend to be too small for the large institutional investors. The company called on shareholders for just under £10m in a rights issue last October and issued £10m through a placing of debenture stock in December 1982.

COMPANY NEWS IN BRIEF

Pre-tax profits of Scott and Robertson, manufacturer of packaging products and fabrics, rose from a restated £397,000 to £565,000 over the first half of 1984 and the interim dividend is being stepped up from 0.75p to 0.9p net per 25p share.

Brokers Kitcat and Aitken are placing 1.4m shares at 87p per share, which on the forecast net dividend of 4.27p gives a prospective yield of 7.5 per cent and a PE of 8.34 based on a forecast pre-tax profits of £690,000 for the year to September 1984 compared with £529,000.

Losses of Amalgamated Estates, property investment concern, decreased from £1.82m to £1.45m in the year to March 31 1984.

More company briefs, Page 20

There was again no tax but including an extraordinary credit of £0.81m previously, the net deficit was higher at £1.45m, against £1.02m.

A & P Appledore, the ship building and ship repair consultant is applying for a list-

LADBROKE INDEX Based on FT Index 852-856 (-9) Tel: 01-427 4411

Jardine Matheson Holdings Limited

Notice is hereby given that the transfer books and Register of Members of the Company will be closed from 29th October 1984 to 10th November 1984, both days inclusive.

NOTICE OF REDEMPTION TO HOLDERS OF INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Kuwait Dinars 30,000,000

10 per cent. Bonds due 1991

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Bonds of the above-mentioned issue, Kuwait Investment Company (S.A.K.), as Fiscal Agent, has drawn by lot, for redemption on 15th November, 1984, at 100% of the principal amount thereof through operation of the Sinking Fund, Kuwait Dinars 3,750,000 principal amount of said 10% Bonds due 15th November, 1991, bearing the following distinctive numbers:

Table listing bond numbers and their corresponding distinctive numbers.

The Bonds specified above will become due and payable in Kuwait Dinars at the offices of Kuwait Investment Company (S.A.K.), Mubarrak Al-Khalil Street, Kuwait City, State of Kuwait, by cheque drawn on a Kuwaiti Dinar account with, or by a transfer to a Kuwaiti Dinar account maintained by the payee with, a bank in Kuwait. From, and after, 15th November, 1984, interest on the above mentioned Bonds will cease to accrue.

Bonds should be surrendered for payment together with all unexpired coupons appertaining thereto, failing which the face value of the missing unexpired coupons will be deducted from the principal amount.

The aggregate principal amount of Bonds remaining outstanding after 15th November, 1984, will be Kuwait Dinars 26,250,000.

KUWAIT INVESTMENT COMPANY (S.A.K.) on behalf of International Bank for Reconstruction and Development

Dated: 1st October, 1984

Granville & Co. Limited

Member of The National Association of Security Dealers and Investment Managers

27/28 Lovat Lane London EC3R 9BB Telephone 01-421 1212

Over-the-Counter Market

Table listing various securities and their market prices, including High/Low, Company, Price Change, Gross Yield, and Fully Paid.

BIDS AND DEALS

GROVEWOOD SECURITIES LIMITED

INTERIM REPORT 1984
PROFIT FOR HALF-YEAR TO 30TH JUNE 1984
£10.5M (1983 £8M)
(UNAUDITED)

ON COURSE FOR ANOTHER RECORD YEAR
EXPORTS LIKELY TO EXCEED £55M

John Danny, Chairman and Chief Executive, states:

All the indications at the half-year stage point to 1984 being the 17th consecutive year of record profit.

Turnover should pass the £250m mark with the 1983 figure for exports comfortably exceeded. The growth in exports from £2m in 1975 to £43m last year and an increase in prospect for 1984 owes a lot to our world-wide sales of high technology equipment.

I expect Grovewood's progress to continue.

Entrepreneurs sell to us part of their shareholdings, retaining management control, and we purchase the balance over periods suitable to them. These happy and prosperous "partnerships" are what Grovewood is all about.

SCIENTIFIC INSTRUMENTS, BUILDING MATERIALS, MERCHANT BANKING SERVICES, TELEVISION, ELECTRICAL AND HOUSEHOLD GOODS, ELECTRONIC COMPONENTS, ENGINEERING, AGRICULTURAL MACHINERY AND SPARES, MOTOR VEHICLES, MOTOR RACING CIRCUITS, MEDICAL AND NURSING SERVICES.

GROVEWOOD SECURITIES LIMITED

45 Circus Road, London NW8 9JJ.

Arthur Lee in £1.15m deal with T.I. Group

Arthur Lee & Sons has acquired fixed assets and stocks of T.I. Plastro Plastics, a wholly-owned subsidiary of the T.I. Group.

A payments of £1.15m cash has been made and an adjustment which is not expected to exceed £100,000, will fall due following receipt of an auditor's certificate relating to the fixed assets and stocks.

Brent Chemicals U.S. purchase

Brent Chemicals International has agreed to acquire Leeder Chemicals Inc, a Californian-based subsidiary of Reliance Universal, for \$35m in cash.

Hawley unveils details of its reorganisation

Hawley Group, the service industry company headed by Mr Michael Ashcroft, yesterday unveiled the details of the formation of a new group holding company which is to be established and incorporated in Bermuda with its international operational headquarters in the U.S.

Hawley will maintain its existing UK headquarters in London. The new company is to be called Hawley Group Limited and in the reorganisation it will become the holding company of the existing Hawley Group and Electro-Protective, the group's U.S. security business.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interim or final and the subdivisions shown below are based mainly on last year's timetable.

Table with columns: Company Name, Meeting Date, and Notes. Includes companies like British Airways, British Petroleum, and various international firms.

FUTURE DATES

Table with columns: Company Name, Meeting Date, and Notes. Includes companies like British Airways, British Petroleum, and various international firms.

Herman Smith up after bid approach

THE SHARES of West Midlands engineering company, Herman Smith, jumped by 9p to 52p yesterday on the company's brief announcement that it had received an approach which could lead to an offer.

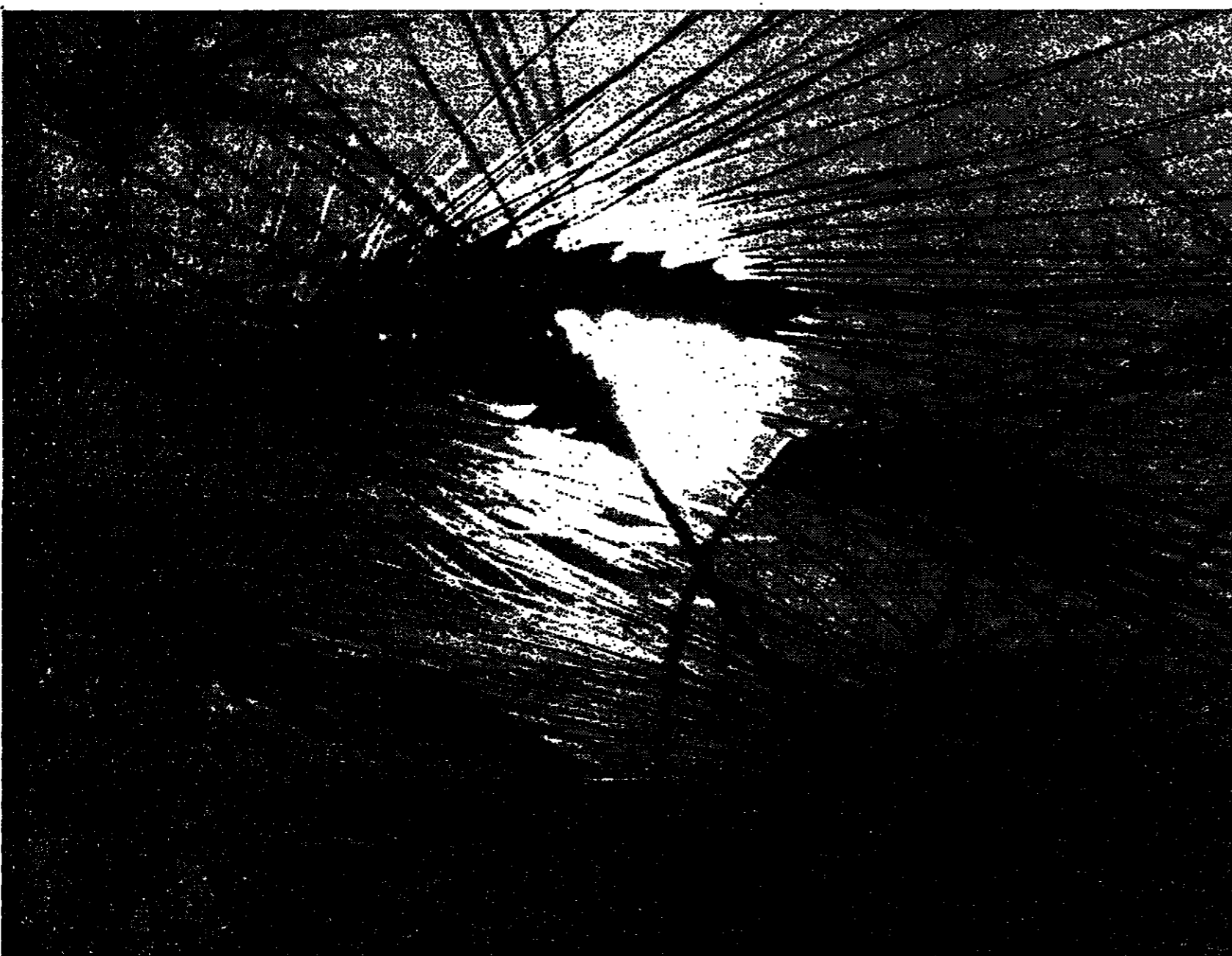
BIDS AND DEALS IN BRIEF

Arthur Guinness and Sons, which acquired Martin The Newsagent earlier this year, has integrated the group's retailing interests with the overall name of Martin Retail Group.

Barmah Oil loss maker in SA deal

Barmah Oil's 50-per-cent-owned, loss-making South African subsidiary Quinton Hazell Petroleum (QHS) has announced that it will increase the scope of its operations by acquiring the operating interests of Unihold Industrial.

The fruit of our effort.



If hunger is to be banished from the world, the world will need more farmland - and more-fertile farmland. Fertilizers are needed to accomplish both. Krupp technology has the answer. Our advanced version of the Koppers-Totzek process does the groundwork for cost-efficient production of ammonia synthesis gas from solid and liquid feedstocks. This in turn is used to produce fertilizers which promote the plant growth so desperately needed by a hungry world.



KRUPP

APPOINTMENTS

Managing director for Intasun

INTASUN LEISURE GROUP has appointed Mr Peter Woodward as joint deputy chairman in addition to his role as group financial director.

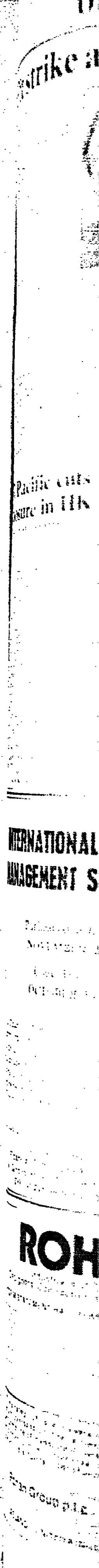
pensions operations have been reorganised, with M & G Assurance Group becoming responsible for policy matters and strategy, while day-to-day operations will be conducted by its two subsidiaries, M & G Life Assurance Company and M & G Pensions and Annuity Company.

NOTICE OF REDEMPTION

Anheuser-Busch Overseas Capital N.V.

16 1/2% Guaranteed Notes Due 1988
On November 1, 1984, Anheuser-Busch Overseas Capital N.V., a Netherlands Antilles Corporation (the "Company"), will redeem all of its outstanding 16 1/2% Guaranteed Notes Due 1988, at a redemption price of 101.5% of the principal amount thereof.

Mr. Colin Williams, Manager, Manufacturers Hanover Trust Company, 7 Princes Street, London, EC2P 2LR, England.



UK COMPANY NEWS

Pit strike and competition hit Currys

WITH THE miners' strike having an unsettling effect on consumer confidence, and in a trading climate which continues to be "extremely competitive," the six months to July 25 1984 have seen a £578,000 fall in pre-tax profits at Currys Group, retailer of electrical appliances.

Announcing the profit slip from £9.36m to £8.6m—including a lower contribution from the sale of properties at £1.06m against £3m—Mr W. J. Benson, the new chairman, states, however, that the group is well placed to make further progress and that he expects "our centenary year will finish with creditable results."

In his statement as outgoing chairman in June Mr Dennis Curry warned that business would be difficult in comparison with the "quite exceptional buoyancy" of last year's first half, and Mr Benson now believes that in the event the results are satisfactory.



Mr W. J. Benson, the new chairman of Currys Group

Trading profit, after charging £7.3m (£5.9m) depreciation, came out at £5.19m against £9.63m. A credit trading provision added £2.74m (took £2.38m) while interest accounted for a larger slice at £1.43m against £977,000.

The tax charge for the half year came to £2.5m against an adjusted £3.04m to leave net profits at £2.59m (£6.32m).

Since the half year the company has implemented a decision to close its business computer retailing activity carried out by Currys Micro-Systems because the directors could not see a satisfactory trading scenario within a reasonable time-span.

The interim dividend is increased from 1.4p to 1.5p net of tax, following last year's 8.1p total. Earnings per share are quoted as 11.5p, down from 13.5p.

Turnover increased by 14 per cent to £170.54m (£149.47m), but the chairman explains that this included monies repaid by hire purchase customers over and above the value of new credit of new credit business. The increase in actual sales was 7.4 per cent, representing a small rise in the group's share of the electrical market.

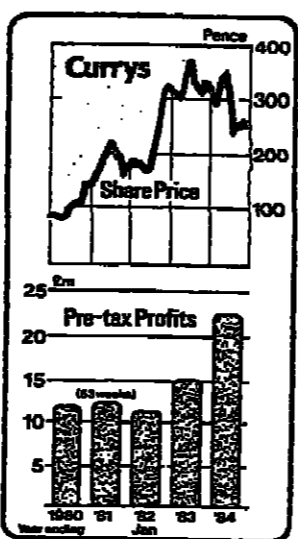
The costs associated with closing down this venture have all been taken into the company's accounts.

In the last full period the group reported pre-tax profits of £22.52m from turnover of £343.23m.

The directors are changing the group's accounting period to end the fourth Wednesday in October. Accordingly, the current period will be for the nine months ending October 24 1984.

comment

Currys was always going to struggle to improve very much on last year's performance achieved under exceptionally buoyant conditions on the High Street. Nevertheless, the City expected to see more than a marginal gain in pre-tax profits—from £6.56m to £6.5m after stripping out property sale profits—and the shares duly dropped 15p to 245p. Of the paltry 7.4 per cent sales increase, 6.5 per cent is due to new stores which leaves almost all the rest standing still, while wage and other costs marched ahead. But the worst is probably over-sales from now on will no longer have to stand comparison with the period of the video recorder boom, and there is already evidence of an upturn in sales in recent weeks. More importantly, Currys can soon hope to see some return on the heavy investment in making in new and refurbished stores, turning



its major sites into superstores with a larger range of electrical goods and dividing up many smaller ones to sell either white goods or brown goods only. Investors will be wise to wait to see some proof that this transformation is going to pay off for Currys, but if it works the shares will look undervalued a year or so hence. Assuming the group makes say £22m to £25m pre-tax for the year to the end of October 1985, then, on a 40 per cent tax charge, the shares trade multiple of about 8.

TR Pacific cuts portfolio exposure in HK to 1.9%

TR Pacific Basin Investment Trust has significantly reduced its exposure to Hong Kong and now holds a defensively orientated portfolio.

However, the company says that the statement in August by Sir Geoffrey Howe, Foreign Secretary, on the future of Hong Kong has turned sentiment from almost total gloom to cautious optimism.

"With much of the political uncertainty likely to be removed by the Sino-British agreement, there is room for the stock market to continue to advance," the directors state in their interim report.

The trust's net revenue for six months to July 31, 1984 fell from £408,971 to £363,068 and earnings per share slipped to 1.02p, against 1.15p, which "marks the nadir of the earnings adjustment caused by the concentration in Far Eastern markets two years ago."

Net asset value per share declined by 8.2 per cent from 289p at the beginning of the period to 267p at the end. Over

the same six months, adjusted for currency movements, the Hang Seng Bank Index in Hong Kong and the Straits Times Index in Singapore fell by 22.6 per cent and 5.6 per cent respectively, while the Tokyo Nikkei Exchange Index rose by 0.9 per cent.

The interim dividend is unchanged at 1p and the board expects to pay a 2p total for the year.

Some 72.6 per cent of the trust's portfolio is held in Japan. The remainder is split as to (in per cent) Hong Kong 1.9; Singapore and Malaysia 8.7; Other Far East 1.5; U.S. 6.4; UK 8.5.

Looking at prospects, the directors say that in Japan there has been a distinct improvement in market sentiment since the end of July with foreign investors returning to the market as buyers.

The trust's total assets less liabilities at the end of the first half amounted to £82m compared with £96m at February 2 1984. Total liquidity at July 31 was £14.23m.

Lower attributable for Charles Hurst at halfway

ATTRIBUTABLE profits at Charles Hurst were down from £734,000 to £714,000 after all charges in the first six months of 1984, but the directors describe the results as "satisfactory." As in 1983, the car division was the main contributor to the results.

Turnover of this holding company—its interests are the sale, repair and maintenance of cars and commercial vehicles—improved from £38.75m to £40.78m. The attributable figure was after tax down from £78,500 to £27,000—last year there was a special credit of £33,000.

The interim dividend is raised from 2p to 2.75p net—last year's total payment was 5p from pre-tax profits of £1.11m. Mr C. T. Hurst, the chairman, is waiving his right to the proposed interim amounting to £5,282 (£3,942). Stated earnings per 25p share advanced from 30.14p to 33.02p. A two-for-one scrip issue is proposed.

The directors say the commercial division and oil companies are continuing to find trading difficult, and it is unlikely that this will change in the second half.

Group results as shown by the management accounts for July and August are "satisfactory." In the light of the results for the first eight months, it is the board's intention to recommend an increased rate for the final dividend.

Lamont lifts dividend as profits double

Despite doubts at times regarding the buoyancy of the recovery in the UK market, each division of Lamont Holdings has performed ahead of target during the six months to June 30, 1984, and the group has more than doubled its pre-tax profits from £612,000 to £1.26m.

Turnover for this Edinburgh-based investment holding company which has interests in textiles, property, life assurance and computing services, increased by £3.78m to £19.18m during the period, realising a trading profit of £1.56m against £870,000.

Executex Clothes

Pre-tax profits down from £153,000 to £89,500 are reported by Executex Clothes, a clothing manufacturer, for the six months to June 30 1984. No interim dividend is again payable.

Turnover rose from £1.99m to £2.12m, and trading profits came out at £266,000 against £252,100. Interest charges were down from £18,600 to £26,000, and no tax was again payable.

The directors say the group has moved forward in exploring the potential of overseas markets. Useful orders have been received and the benefits of these should be reflected in the second half. Initial costs have been substantial, and are reflected in what the directors hope will be only a temporary setback in profits.

The group's intention to divest itself of some of its major assets in order to improve gearing, is under way, and should enable it to return to paying a dividend.

INTERNATIONAL FUND MANAGEMENT SURVEY

Publication date: **NOVEMBER 2**

Copy date: **OCTOBER 19**

The Financial Times proposes to publish a Survey on international fund management on the above date. Subjects for discussion will include the scope for using offshore tax havens as domiciles for international funds and the recent trends in the flow of investment capital between different countries.

For further advertising details please contact:
HUGH SUTTON
 Financial Times, Brackens House
 16 Cannon Street, London EC4P 4BY
 Tel: 01-248 8000 Ext. 3300

ROHAN GROUP

Industrial and Commercial Developers,
 Designers, Contractors and Investment Property Holders

INTERIM STATEMENT HALF-YEAR TO 30th JUNE	1984 IRE	1983 IRE
Trading profit before taxation	1.53m	1.03m
Interim dividend per share	5.85p	5.85p
Rent roll	1.6m	1.4m
Shareholders' funds	26.1m	19.1m
Gearing ratio	6%	24%
Net assets per share	295p	257p

"The strategy of recent years to expand operations geographically to secure overseas profits is bearing fruit. — The result reflects solid performance of investment division. — The recent acquisition of D.A.D. Properties Limited improves rent roll to IRE£2.5 million, increases shareholders' funds to IRE£37 million and further reduces gearing ratio."
 Kenneth C. Rohan — Chairman

Copies of the Interim Statement available from the Secretary
Rohan Group p.l.c.,
 5 Mount Street Crescent, Dublin, 2, Ireland,
 33 Cork Street, London, W1X 1HB,
 IRELAND — UNITED KINGDOM — UNITED STATES OF AMERICA

Redland

Audited results for the year ended 31st March 1984

	March 1984	March 1983
	£m	£m
Sales	1,210.2 +14%	1,059.4
Profit before tax	95.9 +44½%	66.3
Earnings per share	24.9p +42%	17.5p
Dividends per share (net)	9.50p +17½%	8.08p

At the Annual General Meeting held on 27th September 1984 the Chairman Mr Colin Corness said:-

"With trading conditions remaining favourable in both Australia and the United States, with West Germany about level with last year and with a number of special factors coalescing to assist our UK results, we feel confident about achieving a further advance in our group performance in the year to March 1985."

Copies of the 1984 Annual Report & Accounts are available from:-
 The Secretary, Redland PLC, Redland House, Reigate, Surrey RH2 0SJ. Telephone: Reigate (073 72) 42488.

Construction materials and services in over 30 countries

Gould... Innovation and Quality in European Electronics

"Where can I get the medical electronics technology I need without leaving Europe?"

"From Gould"

Medical electronics is a market of growing importance — where the needs and priorities of people are even more crucial than the commercial imperatives.

Gould understands them both — producing the most advanced computer-controlled operating theatre monitors in the world and bringing some of the most innovative medical technology in existence to the European market-place, like the disposable transducer pictured right.

In Europe, as in the rest of the world, Gould is concentrating its inter-related technologies in six rapidly expanding markets: computers, factory automation, test and measurement, medical electronics, defence electronics, electronic components and materials including semiconductors — if it's crucial to Europe then it's crucial to Gould.

Interested enough to find out more? Write to Gould, Department R3, Raynham Road, Bishop's Stortford, Hertfordshire CM23 5PF, England.

GOULD
 Electronics

UK COMPANIES

CONTRACTS

NOTICE OF REDEMPTION To the Holders of THE GOVERNMENT OF THE REPUBLIC OF SINGAPORE 7 1/4% External Loans Bond 1987 BONDS OF US\$1,000 EACH

NOTICE IS HEREBY GIVEN pursuant to the provisions of the Conditions of November 1, 1972, under which the above described Bonds were issued... Bonds of US\$1,000 each

Table listing bond numbers (e.g., 00001, 00002, 00003) and their corresponding serial numbers.

Baltic Leasing at record £3.3m

Profits before tax of the Baltic Leasing group improved from £2.21m to a record £3.31m over the year to July 31 1984... The strong progress arose from the group's expanded asset base and reflected continuing expansion of its own leasing portfolio...

The acquisition last month of Chieftain unit trust group forms part of a planned expansion into providing this wider service... To reflect this expansion the directors are proposing to change the name of the group and at the same time take steps to obtain a full listing for its shares...

Turnover for the 1983-84 year moved ahead from £7.97m to £11.58m... Tax rose from £92,000 to £202,000 and there was also a 10.88m (nil) provision for deferred tax.

Beloit wins £10m paper mill order

A contract worth more than £10m has been won by Beloit Walmisley, Bury, to build and install part of a paper machine in Sweden... This is the major part of the work and the rest will be carried out by other companies in the Beloit group...

Mazagon Dock on behalf of the Oil and Natural Gas Commission of India... Hotel refurbishment (£0.8m), City of London School (£0.5m), and Mondial House, Upper Thames Street (£50,000) for British Telecom International.

MARPLES RIDGWAY BUILDING, a member of the Bath and Portland Group, has been awarded a £1.5m contract by the Post Office for alterations and extensions to the Bath post office... The contract, which runs in three phases, the first phase calls for the demolition of existing buildings and the construction of a new administration and mechanical letter office with external works and drainage...

A £3.5m contract to build and fit out a supermarket in Lancashire, Lancashire, has been awarded to TAYLOR WOODROW CONSTRUCTION (NORTHERN) of Darlington, by J. Sainsbury. Work is due for completion next August.

The FEABODY HOLMES process division has received a turnkey contract to design, manufacture and install a briquetting plant for the Avonmouth Works of Commonwealth Smelting. Worth over £600,000, the plant will produce briquettes from quantities of zinc/lead dross arising from the smelting and refining processes...

JOHN LAING CONSTRUCTION has won a £3.8m contract from the British Petroleum Co at BP's Research Centre at Sunbury-on-Thames. The new 3,755 sq metre building will have twice the floor area of the last laboratory built at the Sunbury Centre. It will be a five-storey reinforced concrete frame laboratory building, with plant rooms on each floor, basement and roof levels. Externally the building will be brick-clad, with the front elevation having a pre-cast concrete panel feature...

MATHER AND FLATT has secured a contract worth over £1m to supply five highwater injection pumps to the Bombay High Project in India. The 10m-12m barrel casing injection pumps, 4,300 kW driving motors and associated equipment which make up the order, will be the largest of their kind to be supplied to India and will be used to extract crude oil in the southern region of the major offshore oil and gas fields. The order has been placed by

These include the Piccadilly

Duncan & Goodricke falls but payout should be held

FIRST HALF pre-tax profits of Walter Duncan & Goodricke fell by £196,000 to £443,000 but the directors say they are satisfied that barring unforeseen developments the results for the full year should be adequate to ensure maintenance of the dividend at its present level of 12p net per £1 share.

Turnover for the six months, to end-June 1984, improved from £2,07m to £3,84m. The figures included those of the banking services subsidiaries—the group's other interests are in investment and warehousing. Tax accounted for £199,000 (£1,000) and minorities £8,000 (£2,000).

Earnings came through at 13.49p, compared with 26.68p per share... In banking services, profits were lower than for the corresponding period of 1983. Last year's interim figures benefited, however, from foreseen sales of investments whereas there have been few sales during the first six months of the current year.

In warehousing a section of the warehouses at Banbury (some 60,000 sq ft) was destroyed by fire in May of this year. Despite the disruption caused by the fire and its after-effects, operations were maintained at a good level and warehousing profits at June 30 were ahead of the previous year. Claims have been lodged with the group's insurers in respect of the fire and it is anticipated that claims will be settled at an "acceptable" figure in due course.

CHECKPOINT EUROPE LIMITED (Registered in Jersey under the Jersey Limited Liability Companies Acts 1961 to 1968 Registered No. 250541) Share Capital Issued and fully paid £1,000,000. Ordinary Shares of 25p each. Loan Capital Outstanding £2,305,976. Subordinated Loan Notes of £100,000 each. Introduction arranged by Northcote & Co. The Group specialises in the distribution of Electronic Article Surveillance ("EAS") devices designed to prevent pilferage in retail outlets... Application has been made to the Council of the Stock Exchange for the grant of permission to deal in Ordinary Shares of the Company in the Unlisted Securities Market. It is emphasized that no application has been made for these securities to be admitted to listing.

COMPANY NEWS IN BRIEF

Overall profits from the trading companies of investment holding company, Cassella Investments, are again at a record level, despite continuing losses in the company's philatelic business, say the directors... Baring a sudden downturn in the international art market, the company looks forward to a very satisfactory overall result from these activities. Present trends point towards operating profits at a somewhat higher level than those returned for 1983.

INTEX: THE INTERNATIONAL FUTURES EXCHANGE (BERMUDA) LTD. is pleased to announce the opening of automated trading in gold futures contracts—October 25, 1984. INTEX HEADQUARTERS: RO. Box 579/The Perry Building/40 Church St./Hamilton, Bermuda 5-24 Tel: 809/295-6400. INTEX INFORMATION OFFICES: LONDON: Roman Wall House/8-8 Crutched Friars/London EC3N 2AN Tel: 01-481-427/18 NEW YORK: Suite 2029/One World Trade Center/NY, NY 10048 Tel: 212/524-0700 CHICAGO: 2 N LaSalle/Chicago, IL 60602 Tel: 1/800-468-3867.

The directors say they have continued a well established practice of modestly increasing the company's shareholding in the existing portfolio of securities... Because of the strength in the price of tea, the profits and net worth of the company's agriculturally orientated investments has substantially improved. The outlook for its industrial and publishing investment is also favourable... Stocklake Holdings will not be able to issue its annual report and accounts for the year to March 31 1984 within the next six months following the date of the financial year to which they relate... The delay is due to late completion of the accounts of one of the subsidiaries. It is anticipated that the accounts will be available at about the middle of November... Net asset value at June Investment Trust rose from 51.18p to 51.38p per 10p income share in

CITIBANK, N.A., SINGAPORE

NOTICE OF REDEMPTION To the Holders of Comalco Investments Europe S.A. 9 1/2% Collateral Trust Bonds Due 1985

Issued under Collateral Trust Indenture dated as of November 1, 1970

NOTICE IS HEREBY GIVEN that pursuant to the provisions of the above mentioned Indenture, \$1,713,000 of the principal amount of the above described Bonds has been selected for redemption on November 1, 1984, through operation of the Sinking Fund, at the principal amount thereof, together with accrued interest to said date, as follows:

Table listing outstanding bonds of \$1,000 each with prefix 'M' and their serial numbers.

Also Bonds of \$1,000 each of prefix 'M' bearing the following serial numbers:

Table listing serial numbers for bonds of \$1,000 each.

On November 1, 1984, the Bonds designated above will become due and payable in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts... On and after November 1, 1984, interest shall cease to accrue on the Bonds herein designated for redemption.

COMALCO INVESTMENTS EUROPE S.A. Dated: September 27, 1984

NOTICE The following Bonds previously called for redemption have not as yet been presented for payment:

Table listing bond numbers and their serial numbers.

Under the Interest and Dividend Tax Compliance Act of 1983, we may be required to withhold 30% of any gross payments made within the United States to certain holders who fail to provide us with, and certify under penalties of perjury, a correct taxpayer identifying number (employer identification number or social security number, as appropriate) or an exemption certificate on or before the date the securities are presented for payment. Those holders who are required to provide their correct taxpayer identifying number on Internal Revenue Service Form W-9 and who fail to do so may also be subject to a penalty of \$50. Please therefore provide the appropriate certification when presenting your securities for payment.

IF CASH FLOW IS YOUR ONLY PROBLEM... NO PROBLEM... CONFIDENTIAL invoice discounting with Griffin Factors could mean immediate cash payment of up to 80% of the value of your approved invoices, less charges. Any balance due to you follows. For successful companies we provide finance for growth without diluting equity or company control. The range of our Factoring Services includes: Non Recourse Factoring, Invoice discounting (with or without recourse. Minimum turnover £1m p.a.), Export Factoring and Receivables Management. For full details telephone any of our offices below. GRIFFIN FACTORS LTD. A member of Midland Bank Group 21 FARNCOMBE ROAD, WORTHING, WEST SUSSEX BN11 2BW. TEL: (0903) 205161.

...TALK TO GRIFFIN. Confidential invoice discounting with Griffin Factors could mean immediate cash payment of up to 80% of the value of your approved invoices, less charges. Any balance due to you follows. For successful companies we provide finance for growth without diluting equity or company control. The range of our Factoring Services includes: Non Recourse Factoring, Invoice discounting (with or without recourse. Minimum turnover £1m p.a.), Export Factoring and Receivables Management. For full details telephone any of our offices below. GRIFFIN FACTORS LTD. A member of Midland Bank Group 21 FARNCOMBE ROAD, WORTHING, WEST SUSSEX BN11 2BW. TEL: (0903) 205161.

UK COMPANY NEWS

Retail side helps Menzies rise 43%

WITH CONTINUING improvement from the group's retail division and the success of the companies acquired over the past few years, John Menzies has risen in a 43 per cent increase in pre-tax profit at the interim stage.

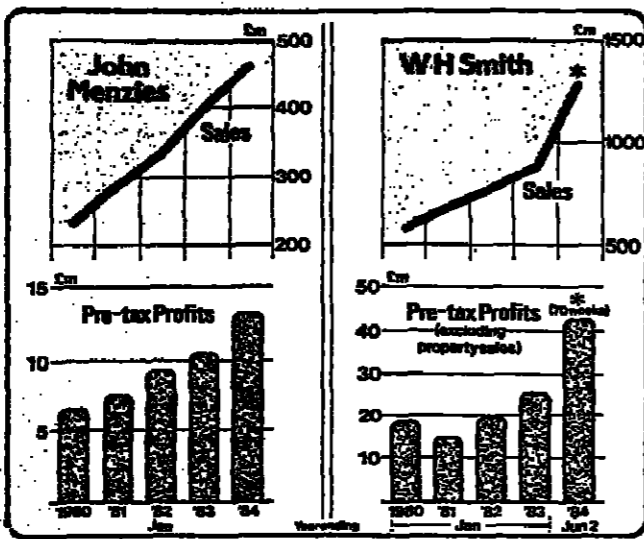
The result for the first half of the 1984-85 year was a rise in the taxable surplus from £2.82m to £3.8m from sales up by £24.85m to £233.09m. The directors state that the outlook for profits in the rest of the year is, as always, dependent on the success of Christmas trading.

They add that should the company's expectations be realised, second half profits will exceed those of the equivalent period, although they will not match the first half percentage increase.

The interim dividend is being effectively lifted by 0.125p to 1.125p net per share. The total last time — when sales of £451.2m generated profits of £13.2m — was an effective 3p.

The company, which trades as a wholesaler and retail newsagent, bookeller, stationer and provider of leasing finance, quotes its earnings as 3.5p (3.1p) per share. The tax charge for the half year was up from £0.6m to £1.46m, while there was no deduction for minority interests this time (£20,000).

Commenting on the midway figures, the directors state that the companies acquired over the past few years have proved successful and provide the additional benefit of spreading profits more evenly between the two



giving away millions of pounds, wholesalers such as John Menzies had little reason to complain in the first half. The company reports a useful increase from retailing too, though the canny Edinburgh accountants never let the City get close to a divisional breakdown. Anyway it is fair to assume retailing did a little better than break-even, Christmas will be the deciding factor at the end of the day. Perhaps what is really important in these figures — and certainly demonstrated in the margin improvement — is the newer, slightly peripheral operations. Both Lonsdale (library supplies) and Universal (stationery printing) benefited from the reorganisation which had depressed the comparable periods. Further acquisitions in these areas are on for next year. Menzies' leasing business is likely to be sold and with the £71m from Lonsdale Technical the balance sheet should be unencumbered at year end. By then Menzies should have made £16m pre-tax for an 11.4 p/s at 197p — a rating which is over-optimistic by spreading VAT.

half-year periods. The trend has been strengthened by improving first half results from the company's retail division.

The Lonsdale Technical group of companies, which were acquired when Lonsdale Universal was bought, did not fit into the company's normal group activities and were sold in August for £7.75m.

This transaction will be

accounted for in annual report, and the funds realised will be used to reduce debt and expand the company's mainstream business.

comment

The publishing sector was not exactly trouble free but with Fleet Street relatively settled and proprietors' enthusiasm for

Carborundum's opening figures reach £875,000

THE FIRST six months' operations of Carborundum Abrasives, a new unquoted company, have been "most encouraging", says Mr Trevor A. Egan, the chairman.

Pre-tax profits were £875,000 from sales of £21.87m. Trading profits of this Manchester-based manufacturer and designer of abrasive products, was £935,000. The pre-tax figure was after interest payable of £80,000, and after tax of £128,000, distributable profits came out at £747,000.

Comparisons with prior periods are not shown because the business has changed due to the formation of "plc" and such comparisons would be misleading, say the directors.

All operating companies within the group returned to profitability during the period. In Germany, incoming orders and shipment levels were adversely affected by the I.G. Metal Union strike which, while not affecting the group's own workforce directly, caused the involuntary closure for a short period of a number of its customers' plants.

Mr Egan says there are positive signs that the European move out of recession continues but, nevertheless, the industrial market place remains highly

competitive. Against this background, the group has aggressively pursued its investment programme and actions to further improve productivity throughout all functions of the business continue. Thus, the company is well-placed to respond to future market demands.

Export and marketing activities have resulted in the successful penetration of many new markets, and additional distributors and agents have accepted representation of Carborundum products. The group's products have been accepted in the U.S., and early orders from this market confirm the expectations that this is a market with a good potential.

Activity throughout the company's operations in Europe is traditionally lower in the second half, mainly as a result of the impact of vacations in both its own and customers' plants. Mr Egan is, however, confident that the earnings forecast in its prospectus will be exceeded.

The board is recommending an interim dividend of 4p net and it anticipates developing a dividend policy over the medium-term which is in line with companies in similar sectors as Carborundum.

Margins hit at Business Computer

Gross margins at Business Computer Systems were "severely affected" in the first six months of the year by the slump in the value of sterling against the U.S. dollar which increased import costs.

In addition to this, the group's deliveries of hardware were lower than forecast because of delays stemming from the world shortage of vital electronic components. This particular problem, however, has been overcome and is not expected to have the same effect in the second half.

Revenues and margins achieved from the software, engineering and supplies divisions were well ahead of forecasts. These operations are major contributors to group profits and the company expects them to expand significantly in the future.

Group turnover of this USM stock for the interim period amounted to £3.88m, against £3.52m, and profits at the taxable level totalled £55,000 against £42,000. In calendar 1983 profits of £52,000 were attained on turnover of £2.87m.

Tax took £16,000 (£12,000), after which earnings per share are shown 0.2p higher at 0.7p. As usual there is no interim dividend.

This announcement appears as a matter of record only.

NEW ISSUE

24th September, 1984

OKI

U.S.\$70,000,000

Oki Electric Industry Company, Limited

3-1/2 per cent. Convertible Bonds due 1999

ISSUE PRICE 100 PER CENT.

Yamaichi International (Europe) Limited

Fuji International Finance Limited

Kleinwort, Benson Limited

Amro International Limited

Citicorp International Bank Limited

Credit Suisse First Boston Limited

Dresdner Bank Aktiengesellschaft

LTCB International Limited

Morgan Stanley International

Société Générale

Swiss Bank Corporation International Limited

Banque Nationale de Paris

County Bank Limited

Daiwa Europe Limited

Kuwait Investment Company (S.A.K.)

Merrill Lynch Capital Markets

Nomura International Limited

Société Générale de Banque S.A.

Yasuda Trust Europe Limited

Al-Mal Group

Algemene Bank Nederland N.V.

Banca del Gottardo

Bank of Tokyo International Limited

Banque Bruxelles Lambert S.A.

Banque Générale du Luxembourg S.A.

Banque Indosuez

Banque Paribas

Baring Brothers & Co., Limited

Bayerische Landesbank Girozentrale

Boyerische Vereinsbank Aktiengesellschaft

Berliner Handels- und Frankfurter Bank

James Capel & Co.

Commerzbank Aktiengesellschaft

Crédit Commercial de France

Crédit Lyonnais

Den norske Creditbank

Deutsche Bank Aktiengesellschaft

DG BANK Deutsche Genossenschaftsbank

Robert Fleming & Co. Limited

Girozentrale und Bank der österreichischen Sparkassen Aktiengesellschaft

Goldman Sachs International Corp.

Gulf International Bank B.S.C.

Hill Samuel & Co. Limited

Kreditbank International Group

Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.)

Kuwait International Investment Co. s.o.k.

Mitsui Trust Bank (Europe) S.A.

Samuel Montagu & Co. Limited

Morgan Grenfell & Co. Limited

Morgan Guaranty Ltd

Nederlandsche Middenstandsbank N.V.

New Japan Securities Europe Limited

The Nikko Securities Co., (Europe) Ltd.

Nippon Kangyo Kakumaru (Europe) Limited

Okasan International (Europe) Limited

Orion Royal Bank Limited

Osakaya International (Europe) Limited

PK Christiania Bank (UK) Limited

Prudential-Boche Securities

Sanyo International Ltd.

J. Henry Schroder Wagg & Co. Limited

Sparebanken Oslo Akershus

The Taiyo Kobe Bank (Luxembourg) S.A.

Tokugin International Bank (Europe) S.A.

Tokai International Limited

S.G. Warburg & Co. Ltd.

Wardley

Westdeutsche Landesbank Girozentrale

Wood Gundy Limited

LOOKING TO THE FUTURE

CHALLENGER 601

Challenger 601: Designed for the future—available now.



TAG AERONAUTICS LTD
14, rue Charles Bonnet, 1211 Genève 12, Suisse
Tel: (22) 46 17 17 Telex: 289 084 TAG-CH

TAG GROUP S.A.
6, rue Leo-Delibes, Paris 75116, France
Tel: (1) 505 14 80 Telex: 630 843 TAG

So very quiet, it is allowed unrestricted round the clock operation at noise sensitive airports.

ADVANCED TECHNOLOGY
Challenger 601 features advanced aerodynamics, together with state-of-the-art engines

SAFETY
The first business jet designed to meet new and more stringent safety and reliability standards.

RANGE
Has non-stop transatlantic capability.

COMFORT
Designed for quiet comfort.

INTERIOR SPACE
Featuring a level floor 30% wider than that of its closest competitor.

VERSATILITY
Created primarily as a corporate aircraft, Challenger 601's performance and spacious cabin render it suitable for multipurpose uses: freight carrier, maritime patrol, express transport, air ambulance.

FUEL ECONOMY
Challenger 601's combination of engines and aerodynamics result in fuel savings of as much as 40% over competition in its class.

UK COMPANY NEWS

Notice of Redemption To the Holders of

Sociétés de Développement Régional France

DM 100,000,000
6 1/4% Bearer Bonds of 1977, due 1983-1992
- Security Index No. 471 791/800 -

Drawn for Redemption on December 16, 1984

Notice is hereby given that, pursuant to Article 3 of the Terms of Issue, on September 16, 1984 the second series of Bonds in the principal amount of DM 100,000,000 was selected by lot for redemption on December 16, 1984 in the presence of a Notary Public.

The Bonds selected for redemption are those of the Series 1 Security Index Number 471 791 bearing the following serial numbers: 00 001 - 05 000 of DM 1,000 each and 50 001 - 50 500 of DM 10,000 each.

Payment of Bonds selected for redemption will be made at par on and after December 16, 1984, upon surrender of said Bonds with all un-matured interest coupons appertaining thereto according to Article 5 of the Terms of Issue:

a) in the Federal Republic of Germany including Berlin (West) at Bayerische Vereinsbank Aktiengesellschaft, Munich, Dresdner Bank Aktiengesellschaft, Frankfurt am Main, Vereins- und Westbank Aktiengesellschaft, Hamburg, and their branches;

b) outside the Federal Republic of Germany at Banque Nationale de Paris, Paris, Banque Paribas, Paris, Société Générale, Paris, Société Générale Alsacienne de Banque, Strasbourg, by a DM cheque drawn on a German bank or by credit to a DM account with due observance of the foreign exchange regulations, if any, of the relevant country.

Interest on the Bonds selected for redemption shall cease to accrue at the end of the day immediately preceding the redemption date. The amount of any missing interest coupons shall be deducted from the principal amount.

Lyon, Strasbourg, Lille, Nantes, Rouen, Besançon, Reims, Nancy, Montpellier, Rennes, Amiens, Marseille, Limoges, Bordeaux, in September 1984

Société de Développement Régional du Sud-Est
Société Alsacienne de Développement et d'Expansion SADE
Société de Développement Régional du Nord et du Pas-de-Calais
Société de Développement Régional de l'Ouest SODERO
Société de Développement Régional de Normandie Roussillon SODER
Société de Développement Régional de la Bretagne
Société de Développement Régional de Picardie SDR PISCARDIE
Société de Développement Régional Méditerranée
Société pour le Développement Economique du Centre et du Centre-Ouest SODECO
Société de Développement Régional du Sud-Ouest EXPANSO SDR

FII lifts dividend on record profits

RECORD PROFITS and earnings have been achieved by FII Group, footwear manufacturer and medical and laboratory supplier, for the year ended May 31, 1984.

Pre-tax profits, which have more than doubled in two years, rose from £728,000 to £1.21m, comfortably exceeding the estimate of "not less than £1m" made in June when the group acquired Denley Instruments laboratory equipment company.

Mr Monty Sumray, group chairman, points out that the record profits were achieved without any contribution from the recently-formed medical and scientific division, which is expected to start contributing to profit in the current year.

Turnover increased by 23.4 per cent, from £10.06m to £12.41m, with the return on assets employed up by 12 per cent to 37.6 per cent.

Earnings per 25p share were shown almost doubled, from 9.5p to 18.8p, and the directors are recommending a final dividend of 4p against 3.71p last time. This is the third increase in successive six-monthly periods, and brings the year's total to 5.75p (5.25p).

Tax was up at £452,000 (£27,000), and there was an extraordinary debit of £186,000 against £68,000 last time. Dividends will absorb an increased £171,000 (£154,000).

Mr Sumray reports that cash balances of £1.8m remain at the end of the group's "excellent year."

Progress for Northgate on repayment of debt

MINING NEWS

BY GEORGE MILLING STANLEY

CANADA'S NORTHGATE EXPLORATION has made substantial inroads into its heavy burden of long-term debt according to Mr John Kearney, the company's executive vice president.

Mr Kearney said in London yesterday that the group has already made all the repayments on its bank debt due next year, and expects to make further payments before the next instalment falls due in 1986.

By the end of Northgate's third quarter on September 30, long-term debt stood at C\$45m (£31m), down from C\$55m at the close of last year. The group hopes to make further payments out of the proceeds of the sale of additional shares in the Australian gold producer Whim Creek Consolidated to Austwhim Resources, a new Australian holding company.

The complex series of deals under which Northgate acquired

three copper and gold mines in the Chibougamau area of Quebec in 1981 from the Netherlands-based Pataxe left Northgate with long-term debt of C\$55m.

One of the operations, the Lemoine mine, was subsequently closed, but the Copper Range and Porvage mines have continued to operate profitably, helped by substantial cost-cutting measures and a change of emphasis away from copper production and towards boosting gold output.

These operating profits have, however, been eroded by the costs of servicing the debt, which Mr Kearney said was far too high for a company of Northgate's size to support at current metal prices. This has left the company with net losses for much of the time since the acquisitions, apart from the effects of any asset disposals.

The whole problem has been exacerbated by the high level of interest rates, which was clearly not envisaged when the purchases were made.

Northgate expects to be able to report a net profit at the end of this year "providing nothing disastrous happens," Mr Kearney said. The group had net profits of C\$9.35m at the halfway stage, after extraordinary credits of C\$5m from the sale of part of the holding in Whim Creek and C\$2.7m from the issue of shares in Enxet International, a new company which brings together the exploration interests of Northgate and its sister companies in Ireland.

Gold production from the two Chibougamau properties reached 40,985 ounces in the first half, along with 12.5m pounds of copper in concentrates. Northgate is now expecting full-year gold output of 75,000 oz, against earlier projections of around 68,000 oz.

New moves at old Welsh mine

AN ATTEMPT to revive the old Parys Mountain copper-lead-zinc-gold mine in Anglesey, North Wales, is to be made by the Canadian Imperial Metals Corporation natural resource group.

Imperial Metals has reached agreement for an option on the property with the vendors, later-imperial Metals, a 100 per cent working interest in the property subject to net profit interests totalling 21 per cent for the vendors.

Mining of the Parys Mountain area, near Holyhead, dates back to Roman times and the property

was last worked in 1920. Imperial Metals believes that it contains some 3m tons of copper-lead-zinc ore with good precious metal values and is almost ready for start-up and development.

Dr Hugh Morris, chairman of Imperial Metals, said that the property was an attractive exploration target. He pointed out that drilling by Combe in the late 1970s had discovered "significant" reserves of ore at depth and he considered that there was a good potential for further large reserves.

BASE LENDING RATES

A.B.N. Bank	10 1/2%	Hill Samuel	11 1/2%
Allied Irish Bank	10 1/2%	C. Hoare & Co.	11 1/2%
Amro Bank	10 1/2%	King's Cross	11 1/2%
Henry Ansbacher	10 1/2%	London Trust	11 1/2%
Armo Trust Ltd.	11%	Knowsley & Co. Ltd.	11 1/2%
Associates Cap. Corp.	10 1/2%	Lloyds Bank	10 1/2%
Banco de Bilbao	10 1/2%	Maitland Ltd.	10 1/2%
Bank Hapoalim	10 1/2%	Edward Manson & Co.	11 1/2%
BCCI	10 1/2%	Messeraf & Sons Ltd.	10 1/2%
Bank of Ireland	10 1/2%	Mifland Bank	10 1/2%
Bank of Cyprus	10 1/2%	Morgan Grenfell	10 1/2%
Bank of India	10 1/2%	National Bk. of Kuwait	10 1/2%
Bank of Scotland	10 1/2%	National Girobank	10 1/2%
Banque Belge Ltd.	10 1/2%	National Westminster	10 1/2%
Barclays Bank	10 1/2%	Norwich Gen. Trst.	10 1/2%
Beneficial Trust Ltd.	11%	People's Trst. & Sv. Ltd.	10 1/2%
Brit. Bank of Mid. East	10 1/2%	Raprae & Sons	10 1/2%
		P. S. Refson & Co.	10 1/2%
		Roxburgh Guarantees	11 1/2%
		Royal Bk. of Scotland	10 1/2%
		Royal Trust Co. Canada	10 1/2%
		J. Henry Schroder Wagg	10 1/2%
		Standard Chartered	10 1/2%
		Trado Dev. Bank	10 1/2%
		TCB	10 1/2%
		Trustee Savings Bank	10 1/2%
		United Bank of Kuwait	10 1/2%
		United Mizrahi Bank	10 1/2%
		Volkskas Limited	10 1/2%
		Westpac Banking Corp.	10 1/2%
		Whiteway Ltd.	10 1/2%
		Williams & Glyn's	10 1/2%
		Witnstrust Secs. Ltd.	10 1/2%
		Yorkshire Bank	10 1/2%
		Members of the Accepting House Committee:	
		7-day deposits 7.25% 1-month	
		8.00% Fixed rate 12 months £200	
		First Nat. Fin. Corp. 18%	
		9.75% £10,000 12 months 100%	
		17 day deposits on sums of under	
		£50,000 £10,000 up to £20,000	
		8% £50,000 and over 8% 1/2%	
		Call deposits £1,000 and over 7 1/2%	
		21-day deposits over £1,000 8 1/2%	
		Demand deposits 7 1/2%	
		Mortgage base rate	

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange

LONDON SHOP PROPERTY TRUST plc
(Incorporated in England No. 216214)

Placing of
£12,000,000 11.625 per cent.
First Mortgage Debenture Stock 2018
at £98.199 per cent.

payable at £25 per cent.
on 4th October, 1984 and
as to the balance by 15th March, 1985

Application has been made to the Council of The Stock Exchange for the whole of the above Stock to be admitted to the Official List.

In accordance with the requirements of the Council of The Stock Exchange, £12,000,000 of the Stock is available in the market until 10.00 a.m. on 3rd October, 1984.

Particulars of the Stock will be circulated in the External Statistical Services and copies may be obtained during normal business hours on any weekday (excluding Saturdays and public holidays) up to and including 15th October, 1984 from:

J. Henry Schroder Wagg & Co. Limited
120 Cheapside,
London EC2V 6DS.
2nd October, 1984.

W. Greenwell & Co.
Bow Bells House,
Red Street,
London EC4M 3EL

SHARE STAKES

Lennox Group—Growth Industrial Holdings yesterday disposed of their holding of 2.72m ordinary shares.

Megitt Holdings—J. F. Nash has disposed of 2.15 per cent of ordinary shares in the company and now holds 3.86 per cent.

Rush & Tompkins—P. J. E. Trew, a director, on behalf of his spouse, Mrs A. Trew, disposed of 4,000 on March, and 25,000 on August 14, at 28p and 21p respectively, altering the total holding to 363,602 (3.15 per cent).

Faring Mining—Moonie Oil Company has purchased 138,000 in the company making Moonie's and a wholly-owned subsidiary's combined shareholding in the company 4.45m shares (26.13 per cent).

The Edinburgh Securities Company—C. P. Mosley, a director, has acquired 25,000 ordinary shares at 77p.

John Brown—The Rt Hon Lord Abernethy has acquired 47,600 ordinary shares at 17.445 per cent were held by Racial Electrics—Hill Samuel Investment management as associates of Racial has bought on September 25, on behalf of a discretionary investment client, 100,000 ordinary shares at 286p. They have also purchased on behalf of discretionary investment clients 97,000 ordinary shares at 286p and 10,000 at 262p.

John Crowther Group—As at September 27 1.5m ordinary (17.445 per cent) were held by clients of Capel-Cure Myers whose investments are managed on a discretionary basis.

BHP CHAIRMAN'S 1984 REVIEW

BHP in sound position and building on confidence of investors and customers.

Following are highlights from the Chairman's Address to Shareholders.

BHP GROUP RESULTS, 1984

Year ended 31 May 1984	\$'000's
Sales Revenue	5 392 205
Group Net Profit	638 692
Steel Division	71 337
John Lysaght Aust.	39 363
Minerals Division	66 331
Utah Division (2 months)	9 887
Petroleum Division	426 384
Corporate Items and Investments	24 390
Total Assets	10 206 938

In Western Australia, gas sales from the North West Shelf to the State Energy Commission began last month. These sales are the first revenues to the joint venture. Presently, the investment of some \$2 billion since 1980 on phase one of this project. Preliminary design work on the LNG stage of the project has commenced and negotiation of the sales contract with the eight Japanese buyers is at an advanced stage. The plan is to commence deliveries to Japan in 1989.

STEEL

Because few large construction projects are in sight in Australia, and since heavy engineering and construction account for about half the Australian steel market, growth on current trends is expected to be no more than about 2.5% a year.

About half the transformation from a \$144 million loss to a \$72 million profit is attributed to an increase in domestic sales tonnage of 16.5% and the other half to cost reductions. Accompanying the cost reductions has been an increase in annual productivity per employee to about 250 tonnes, which is the initial target on the way to the longer term goal of 350 tonnes. Projections show that the productivity objective is attainable without retrenchments, provided there are continued changes to work practices and further capital investment.

MINERALS

The condition of the world steel industry dictates that the Minerals Division must look to cost effectiveness and efficiencies to maintain profit growth.

There will be some assistance from small increases in sales volumes, particularly of coal from Riverside and manganese from Croote Eylandt. For the present, also, the value of the SA against the US will help.

Progress in minerals activities have been marked by the first cash flows from Riverside and Worsley and the first gold being produced at Ok Tedi. The People's Republic of China is evaluating several iron ore joint ventures and there is the prospect of increased sales of iron ore to China when the large Baoshan steel works comes on stream there next year. A BHP study group recently visited China to advise on manganese and ferro-alloy developments.

Although the Division is a low cost and geographically well placed producer of commodities for the steel industry and thereby competitive in world markets for them, the intention is to lessen this dependence. The thrust of our minerals exploration is for gold, base metals and

INTERNATIONAL PRIVATE BANKING AT WASHINGTON'S MOST IMPORTANT BANK.

For nearly a century and a half at Riggs, we've been personal bankers to statesmen, diplomats, international executives and more U.S. Presidents than all the other banks in Washington combined.

Our International Private Banking Department serves high net worth individuals from around the globe. They come to Riggs because their personal affairs are treated with discretion and confidentiality, as well as the financial expertise and investment management experience required to meet their needs.

Riggs services include U.S. government-insured deposits, U.S.-based deposits earning Eurodollar rates, Eurocurrency deposits, investment advisory and trust services and loans.

If you're not presently dealing with Washington's most important bank, contact our International Private Banking Department at 1503 Pennsylvania Avenue, N.W. Dept. F-T-1, Washington, DC 20013, (202) 835-5450 and we'll arrange an appointment.

RIGGS

The Riggs National Bank of Washington, D.C. Member FDIC, Member Federal Reserve

Miami Office, Riggs International Banking Corp., 800 Brickell Avenue, Miami, FL 33131 (305) 574-2405
London Office, 8 Laurence Pountney Hill, London EC4R 0AT, England (01) 626-9161

طريقاً صناعياً

SECTION III - INTERNATIONAL MARKETS FINANCIAL TIMES

Tuesday October 2 1984

- NEW YORK STOCK EXCHANGE 24-26 AMERICAN STOCK EXCHANGE 25-26 U.S. OVER-THE-COUNTER 26, 34 WORLD STOCK MARKETS 26 LONDON STOCK EXCHANGE 27-29 UNIT TRUSTS 30-31 COMMODITIES 32 CURRENCIES 33 INTERNATIONAL CAPITAL MARKETS 34

WALL STREET

Debt fears turn all eyes to FOMC

A FRESH downturn in the bond market ahead of today's meeting of the Federal Open Market Committee (FOMC) overshadowed Wall Street yesterday, leaving the Dow Jones industrial average dipping below the 1,200 level in early trading, writes Terry Byland in New York.

Short-term interest rates remained firm, with the Federal funds rate edging higher and investors less confident of any further easing of Federal Reserve policies over the short term.

Both bond and stock sectors tried to rally during the session but were overcome by a steady rise in the federal funds rate which ended at 1/4 per cent, lending strength to the market's growing conviction that the Federal Reserve is unlikely to ease its policies any further.

By the close the Dow Jones industrial average was a net 7.73 points down at 1,198.98, although turnover, at 73.6m shares, was on no great scale.

Early falls of up to three quarters of a point in long-dated Federal Bonds were also trimmed later.

Delay in Congressional approval for the debt ceiling, now expected to be granted this week, has left the U.S. Treasury with around \$40bn in funding needs, including the impending fourth-quarter funding which is due early next month.

Moreover, both the municipal and corporate bond markets face substantial borrowing programmes.

The prospect of this massive financing has undermined hopes for a further easing in Federal Reserve credit policies, which, in any event, now seem to have been less generous than was believed a week ago.

Yesterday, the "shadow open market committee," a group of private sector economists, urged the Federal Reserve to trim money supply to offset climbing inflation.

Nervous selling of bonds was sparked off by Friday's news of a 0.5 per cent jump in the Commerce Department's index of leading indicators - suggesting continued strength in the economy and resurrecting fears of renewed inflation.

Early selling of the blue-chip stocks prompted some bargain-hunting around midday. IBM, which had fallen to \$123, later rallied to \$123 1/2, for a net fall of 5/8. Ford Motor, which yesterday faced crucial wage talks with the United Auto-workers Union, rallied to \$45 1/2, a net fall of only 1/8.

General Motors, which has reached tentative agreement with the union, gained 5/8 to \$77 1/2.

Other leading stocks to attract interest included American Express, 3/4 down at \$33 1/2 after a flurry of block trades, with one block traded at \$34 1/4. AT & T shed 3/8 to \$19 1/2 in active trading, while at \$55 1/2 General Electric lost 3/4.

Stock in Tandy, the owner of the Radio Shack personal computer retailer, slumped \$1 to \$24 1/2 after a block of 1m shares was traded in the wake of a downgrading of profit forecasts for 1985 and 1986 by Kidder Peabody.

There was active and erratic trading in Digital Equipment after the group admitted failure in the retail markets - but also announced new products. Stock in Digital traded 5/8 off at \$93 1/2 after rallying from \$92 1/2.

On the takeover front, Rio Grande Industries, suspended on news of a \$497m bid from Anschutz, a closely held oil and gas holding company, re-opened at \$52, a net 3/4 higher.

Gulf & Western, the film and industrial holdings group, edged up by 3/4 to \$27 1/2 after disclosing higher profits for the final quarter of the year. Great Atlantic and Pacific Tea, at \$16 1/2, dipped 3/4 when an improvement in the second quarter failed to match analysts' forecasts.

Financial Corporation of America (FCA), the largest - but deeply troubled - U.S. thrift company, eased 5/8 to \$8 1/2 after offering \$1bn in Certificates of Deposit. FCA also attracted adverse comment in the investment press.

Short-term interest rates softened despite a firming in the Federal funds rate from an initial 1 1/2 per cent to 1 1/8 per cent.

After a brief rally, the bond market weakened as the key long bond finished a net 1/2 down at 101 1/2. Selling was light, but buyers were backing away ahead of the FOMC meeting.

Retail support was also lacking in the municipal markets, where prices shed 1/4 point in the face of an expected \$2bn new fundings this week. Corporate bonds were also weighed down by worries over the impending Treasury fundings, and lost around 1/4 of a point.

CONCERN resulting from Friday's announcement of a sharp fall in first-half profits at Jardine Matheson overhung Hong Kong and allowed the Hang Seng index to sink below the 1,000 level - down 13.31 to 989.19, having been almost 20 points easier early in the day.

Turnover was restrained with the market also wary ahead of the announcement late in the day of Wheelock Marden results, which in the event showed net profit down 48 per cent in the first half of the current year.

Wheelock was down 10 cents to HK\$3.47, and Jardine fell 50 cents to HK\$3 after the 40-cent decline seen last Friday.

EUROPE

Paris unease over trouble at Renault

CONCERN over continuing strike action at the state-owned car company Renault kept traders in Paris uneasy. Discouraging bankruptcy statistics also contributed to the softer tone.

Elf Aquitaine was popular, however, rising FFr 5.7 to FFr 251.5 after Friday's announcement of a 65 per cent increase in net profits for the first half of 1984.

Club Mediterranée turned lower, dipping FFr 37 to FFr 1,088, and Imetal followed suit, slipping FFr 3.5 to FFr 87.50. Redoute was also easier, dropping FFr 55 to FFr 1,145, and Pernod Ricard finished FFr 19 down at FFr 781.

The arrival of foreign buyers late in Frankfurt's session enabled the market to close slightly firmer.

The Commerzbank index rose 1 to 1,080.0 as buying interest concentrated on blue chip issues, particularly chemical and motor manufacturers.

Motor manufacturers recording steady gains included BMW, up DM 2 at DM 390, and Daimler-Benz DM 1.50 higher at DM 592.

Bonds were easier, under pressure from the sharp downturn in U.S. credit markets on Friday. The Bundesbank sold a small DM 3.2m of paper to balance the market, following sales of \$9.9m on Friday.

Shares drifted lower in Zurich as a result of some profit-taking after gains last week, but there was not enough selling to trigger a significant downturn.

Banks were barely changed while Swissair closed steady at SwFr 975, unaffected by the group's plans to reduce fares between Swiss cities and London.

Ciba-Geigy lost SwFr 35 to SwFr 2,640. Nestlé was unchanged at SwFr 5,295 but Sandoz edged up SwFr 50 to SwFr 7,000.

Leading financials held steady while insurers were mixed.

The Swiss bond market also closed mixed because of the weaker trend in the U.S.

Amsterdam closed broadly lower, and the ANP-CBS index fell 1.9 to 175.2. Unilever slipped Ft 4.20 to Ft 288.80, and KLM was Ft 2.80 lower at Ft 190.0, extending their losses throughout the day because of the weakening dollar.

Royal Dutch also declined, shedding Ft 2.60 to Ft 177.60.

Speculation continues to grow over the future of Boskalis after announcing a first-half loss last month. It shed Ft 1.40 to close at a low of Ft 9.70.

Insurers were also lower with Amev down Ft 2.80 at Ft 174.00. Publishers, banks and shippers suffered losses.

pressed Milan. Centrale, the holding company of Nuovo Banco Ambrosiano, climbed to L1,931 from Friday's L1,762 as rumours circled that a private group was interested in a stake in its publishing house.

Italmobiliare, holding company of the Pesenti group and a stock strongly in demand since the death of financier Carlo Pesenti last month, put on L1,480 to L58,930 after reaching L80,500 during the day.

Stockholm closed higher, with Electrolux B firming SKr 2 to SKr 244. The market bought SKr 2bn in six and twelve-month Treasury bills at an average rate of 13.32 per cent.

A higher trend in Madrid saw all sectors posting gains, with the biggest rises in electricals.

LONDON Bank rescue bid rocks the boat

JOHNSON MATTHEY'S financial plight cast a shadow over London stock markets yesterday. Values were already moving lower on Wall Street influences when the Bank of England said it was heading a rescue operation of the group's banking arm because of debt difficulties.

Dealings in Johnson Matthey's shares were suspended immediately, with the price at 240p.

Confidence was also affected by the confusion currently surrounding U.S. interest rate and economic trends. Losses among leading shares rarely amounted to much, but with the domestic industrial scene also posing difficulties, they combined to lower the FT Industrial Ordinary share index by 11.5 to 856.9.

In the mining market, attention turned to Charter Consolidated following the trading suspension of Johnson Matthey, in which Charter holds a 27.9 per cent share.

News that Charter Consolidated would subscribe £25m for 25m new convertible preference shares in Johnson Matthey saw Charter marked down sharply at the outset to 218p. "Cheap" buying prompted a rally to 223p before the quotation eased back again to close a net 20p lower at 220p.

Chief price changes, Page 26; Details, Page 27; Share information service, Pages 28-29

SOUTH AFRICA GOLD SHARES ended firmer in moderate trading in Johannesburg as the bullion price held steady around \$345 an ounce.

Vaal Reefs added R3.50 to R174 while Ventners managed a 50-cent advance to R15.50, despite reporting a production loss due to an underground fire at the mine.

Cheaper gold issues were also firmer on the day, with West Rand Consolidated up 25 cents at R9.50 and Lorraine 15 cents firmer at R8.45.

Mining holding companies mostly followed the upward trend, with Anglo American Corp up 10 cents to R23.60 and Gold Fields of South Africa 50 cents higher at R28.

Platinum stocks were firm, reflecting West German demand.

AUSTRALIA HIGHER share prices in Melbourne resulted more from a shortage of scrip than from improved demand as the Sydney market was closed for the Labour Day holiday.

The All-Ordinaries index ended the day at 740.4, up 1.2 from Friday.

Castlemaine Tooheys shot up 13 cents to A\$4.78 as market speculation mounted that it is again ripe for a takeover bid.

Nicholas Kiwi rose 20 cents to A\$4.60, reflecting Friday's takeover offer from the British food group, Reckitt and Colman. Nicholas Kiwi advised shareholders, however, to hold out for a counteroffer expected to come from the U.S.

CANADA A BROADLY lower tone emerged in Toronto, paced by declines in the oil and gas, and gold sectors. Metals and minerals also turned easier, but properties and utilities managed to hold on to their recent gains.

Montreal was also easier, led by the downturn in industrial issues.

TOKYO

Blue chips find less favour

INVESTOR INTEREST shifted from blue chips to incentive-backed issues, but shares closed moderately higher in Tokyo yesterday, writes Shigeo Nishitani of Jiji Press.

The Nikkei-Dow market average gained 16.83 to 10,653.79, and volume increased from 374.25m shares last Friday to 462.62m. Gainers outnumbered losers by 358 to 313, with 157 issues unchanged.

Blue chips, the market pace setter since mid-September, entered into a liquidation phase. Leading the trend, Toshiba, which stood at around Y420 in early September, surged to Y491 last Wednesday, a peak for the year. But yesterday the issue took a sharp downturn as a result of profit-taking, to close at Y458.

Buying interest in blue chips began to disperse with an expected increase in foreign demand failing to materialise. The rise on Wall Street had been expected to prompt foreign investors into active pursuit of blue chips.

Large securities companies now think a short-term liquidation process is unavoidable for high-capital stocks.

On the trading floor, Hitachi rose Y5 to Y885, and TDK jumped Y90 to Y3,500 on small-lot buying. However, Matsushita Electric Industrial lost Y10 to Y1,700, Sony Y80 to Y3,940 and Canon Y270 to Y1,480.

With no further gains in the offing for blue chips, investors turned to incentive-backed issues. Sumitomo Light Metal leaped Y35 to Y315 on speculative buying, triggered by the decreasing buying balance of margin transactions. Sumitomo was the most active stock with 28.81m shares changing hands.

Pharmaceuticals, centring on biotechnology-related issues, were bought briskly, with Dainippon Pharmaceutical adding Y130 to Y3,700 and Sankyo Y30 to Y890. Conversely, Mochida Pharmaceutical shed Y100 to Y9,000, and Kuraray Y27 to Y808.

Nippon Gakki spurred Y50 in early trading, reflecting a good earnings position, but later suffered a sharp setback after profit-taking to finish Y50 lower at Y1,340.

Mitsubishi Mining and Cement was the second most active stock with 21.35m shares traded, gaining Y8 to Y388. Nippon Steel, the third with 18.89m shares, rose Y1 to Y146. Nissin Electric advanced Y35 to Y565, Sumitomo Metal Mining Y50 to Y1,420 and Jeol Y40 to Y1,150.

Bond trading was inactive. The yield on the benchmark 7.5 per cent long-term government bond maturing in January 1993 edged down from 7.13 per cent on Saturday to 7.12 per cent, mirroring small-lot buying.

SINGAPORE A LACK of fresh buying demand and some stop loss selling left prices broadly lower in Singapore in quiet trading. The Straits Times industrial index shed 9.25 to 893.43, on turnover that fell to 5.8m shares from Friday's 10.8m.

Among actively traded issues, Sealion ended unchanged at S\$5.70, but Pan Electric dipped 10 cents to S\$3.28. Sime Darby eased 2 cents to S\$2.05.

Elsewhere, Fraser and Neave lost 5 cents to S\$5.65, G. I. Holdings 6 cents to S\$2.75, Haw Par 3 cents to S\$2.19 and L and M Group 10 cents to S\$3.30. Esso dipped 8 cents to S\$2.94, and Ssangyong 12 cents to S\$2.26.

Among banks, Oversea Chinese Banking Corporation fell 10 cents to S\$6.50, and OUB was unchanged at S\$3.14. Malaysian Banking, Malaysia's second largest banking group, also ended unchanged at S\$6.90 as it announced a 21 per cent rise in after-tax profit for the year to June.

Centring, the casino, property and plantation group eased 5 cents to S\$5.95 despite its announcement of a 33 per cent increase in after-tax profit for the six months to June.

Hotels, properties and commodities were mostly easier, with Selangor Properties down 7 cents to S\$2.91, Singapore Land 8 cents to S\$3.84, K. L. Kepong 4 cents to S\$2.49 and Pahang Consolidated 4 cents to S\$1.38.

KEY MARKET MONITORS

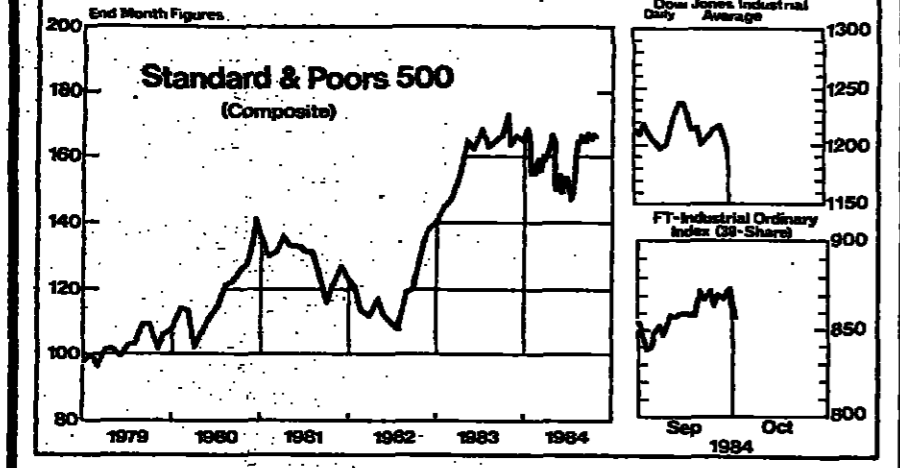


Table of Stock Market Indices for New York, London, Tokyo, Australia, Austria, Belgium, Canada, Denmark, France, West Germany, Norway, Singapore, South Africa, Spain, Sweden, Switzerland, and World Capital Int'l. Columns include index name, Oct 1, Previous, and Year ago.

Table of Currencies showing Dollar, Sterling, Euro-currencies (3-month offered rate), and FT London Interbank Funding (offered rate).

Table of Interest Rates for various currencies and U.S. Bonds (Treasury, Corporate, Federated Dept Stores, Abbott Lab, Alocas).

Table of U.S. Bonds showing Treasury, Corporate, and Federated Dept Stores.

Table of Financial Futures for Chicago, U.S. Treasury Bonds, U.S. Treasury Bills, and Certificates of Deposit.

Table of London and L20-year National Debt.

Table of Commodities for London (Silver, Copper, Coffee, Oil).

Table of Gold prices in London, Frankfurt, Zurich, Paris, Luxembourg, and New York.

Table of Gold prices per ounce in London, Frankfurt, Zurich, Paris, Luxembourg, and New York.

Table of Gold prices per ounce in London, Frankfurt, Zurich, Paris, Luxembourg, and New York.

Advertisement for Britain's No 1 Systems House for Wang. Includes a large graphic of a person using a computer terminal and contact information for Kerridge Computer Company Ltd.

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

Table of American Stock Exchange Composite Closing Prices, organized by stock ticker symbols (A-Z) and including columns for stock name, price, and change.

Continued on Page 26

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Table of New York Stock Exchange Composite Closing Prices, organized by stock ticker symbols (A-Z) and including columns for stock name, price, and change.

Continued on Page 26

Notes: Figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual distributions based on the latest declaration.

WORLD STOCK MARKETS

Table of world stock markets including Austria, Germany, Norway, Australasia, Japan, Hong Kong, Singapore, South Africa, Canada, and Australia. Columns include country, date, price, and change.

OVER-THE-COUNTER Nasdaq national market, closing prices. Table listing various stocks with their respective prices and changes.

LONDON Chief price changes (in pence unless otherwise indicated). Table showing price changes for various commodities and stocks.

CANADA Closing prices October 1. Table listing Canadian stock prices and changes.

NEW YORK CLOSING PRICES. Table listing New York stock market closing prices.

Continued on Page 34. Table listing additional stock prices and market data.

AMERICAN STOCK EXCHANGE CLOSING PRICES. Table listing American stock exchange closing prices.

NEW YORK DOW JONES. Table listing Dow Jones index components and values.

INDICES. Table listing various market indices and their values.

Handwritten text at the bottom of the page, possibly a signature or note.

LONDON STOCK EXCHANGE

MARKET REPORT

RECENT ISSUES

Johnson Matthey lifeboat rescue disturbs equity market and index falls 11.5

Account Dealing Dates

Table with columns for Dealings from, Dealings to, and Dealings by for various months from Sept 17 to Oct 8.

The shock news of Johnson Matthey's financial plight cast a shadow over London equity markets yesterday. Values were already moving lower on Wall Street influences when shortly after the opening it was announced that the Bank of England was heading a rescue operation of the group's banking arm because of debt difficulties.

Potential equity investors, whose confidence was also hit by the confusion currently surrounding U.S. interest rate and economic trends, stood back to await clarification of the situation. This allowed small sellers to dominate proceedings in the absence of institutional buying and the first session of the new trading session got off to a disappointing start.

The extent of Johnson Matthey's problems, unshared banking and other financial shares, but the resulting falls were mostly modest. Few stocks of the market in fact escaped the downturn, but selected clearing issues ran into support following Nottingham Finance's takeover bid for Johnson Group Clearing.

Government securities were held by U.S. interest rate and currency uncertainties. Institutional buyers were in no hurry to commit funds to a market adequately supplied with the "subsidised" 2750m issue late Friday of a spray of existing conventional and index-linked stocks. Lower yields were around 1/2 before sterling's late slump against the dollar took questions away from the lowest.

Clearers easier News of the Bank of England's rescue of Johnson Matthey prevented the major clearing banks from extending recent good gains. Profits were also dented by the shock development, leaving the way clear for sporadic bouts of profit-taking. Closing falls, however, were

fairly modest with Lloyd's 5 lower at 510p and Barclay's off 7 1/2p. Elsewhere, Kleinwort Benson came on offer at 350p, down 15, while Baltic Leasing cheapened 3 to 217p following the disappointing results.

Henry Robinson, still affected by last Friday's unsuccessful attempt to sell 2.5m shares at 220p per share, retreated 8 more making a two-day relapse of 18 at 207p. MAI closed 20 lower at 315p after reporting disappointing annual results.

Other Lloyd's Brokers were unsettled by adverse comment. Sedgwick declined 4 at 284p as did Stewart Wraithson at 408p. Distillers drifted down to 265p in a quiet drinks sector. Tinseltin held at 26p awaiting today's preliminary results.

Dealers reported a slack trade among the Building leaders and most issues drifted lower. BHP shed 4 to 340p, as did BFB Industries, to 255p. Rugby Portland Cement closed a penny cheaper at 117p, a 1/2p, following interim profits in line with market estimates. Contracting and Construction issues were generally dull.

Against the trend, George Wimpey improved 4 to 104p in reply to a broker's comment. Browns and Jackson joined the team to 20p in front of tomorrow's half-term, while the rest of the market was mostly flat. Elsewhere, Amersham attracted support and moved up 6 to 376p. Elsewhere, Amersham International, still influenced by a broker's recommendation, hardened a penny more to 376p.

Currys disappoint The Store managers began the new Account quietly dull. House of Fraser fell 8 to 370p in the wake of Friday's eventual annual meeting. Currys, however, was up 5 at 365p and British Home eased 4 at 235p. Burton declined 3 to 290p as did Debenhams to 178p. Elsewhere, Currys dropped 15 to 245p on acute disappointment. The 9 per cent interest rate contraction, John Mezzies also suffered from unimpressive half-yearly figures and cheapened 8 to 315p. J. Kenworthy, on the other hand, rose 4 to 280p in response to Press comment and Ceil Geel hardened a penny to 136p awaiting today's first-half results.

Amorin Foods, Tate and Lyle drifted off to close 5 cheaper at 385p, while late offerings on Wall Street influenced left Cadbury Schweppes 2 down at 136p. Rowntree's improved 7 to 277p. Channel Tunnel rose 15 to 125p on hopes of early moves to start discussions on a Channel link-up.

Falls in leading industrials were usually limited to a penny or so but American favourites, Becham, 358p, and Glaxo, 965p,

FINANCIAL TIMES STOCK INDICES

Table showing stock indices for Oct 1, Sept 26, Sept 27, Sept 28, Sept 29, Sept 30, and Year ago. Includes Government Securities, Fixed Interest, Industrial, Ord. Div. Yield, Earnings, P/E Ratio, Total Returns, and Shares traded.

10 am 884.2, 11 am 862.8, Noon 861.2, 1 pm 859.8, 2 pm 859.2, 3 pm 858.2. Basis 100 Govt. Secs. 15/2/78. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

HIGHS AND LOWS S.E. ACTIVITY

Table showing Highs and Lows for Govt. Secs, Fixed Int., Ind. Ord., and Gold Mines. Includes S.E. Activity for Daily, 5 Day, and 10 Day periods.

mainly for want of support. Cable and Wireless gave up 8 at 352p, while BSE fell 7 to 150p. Amstrad, in contrast, firmed 4 to 76p in anticipation of Wednesday's preliminary figures.

Leading Engineers presented a decidedly dull appearance, although selling was relatively modest. Scattered offerings and lack of support left TI 12 lower at 222p, while Vickers rose up 5 at 175p. Belgrave Holdings, up 4 at 140p on a revival of speculation buying, provided the only standing movement in secondary stocks. Favourable weekend Press mention left Blackwood Hedge a penny dearer at 15p, but Arthur Lee, a rising market of late, eased 1 to 25p on news of the proposed acquisition of TI Plastro Plastics, a wholly-owned subsidiary of TI.

Amorin Foods, Tate and Lyle drifted off to close 5 cheaper at 385p, while late offerings on Wall Street influenced left Cadbury Schweppes 2 down at 136p. Rowntree's improved 7 to 277p. Channel Tunnel rose 15 to 125p on hopes of early moves to start discussions on a Channel link-up.

Falls in leading industrials were usually limited to a penny or so but American favourites, Becham, 358p, and Glaxo, 965p,

fall 9 and 15 respectively. Reckitt and Colman were quoted ex right at 518p, down 21; the new mid-price shares opened at around 89p premium and fell to close at 70 premium.

Samuelson Group, which soared 180 last week in the wake of excellent annual results, rose 13 more to 550p 1/2, but nervous selling in front of today's interim figures left Riley Leisure 4 down at 56p. Press comment helped Aspinall rise a couple of pence to 120p and Nimmo International rally 2 1/2 to 14 1/2p. Among Television issues, RTV NTV rose 10 to 305p; the annual results are due on Thursday.

Two outstanding firm features emerged in the Motor sector. Herman Smith jumped 9 to 32p on news of a bid approach, while Reliant advanced 4 to 46p, after 47p, following the disclosure that Ford will start production of an open, two-seater sports car. Elsewhere, Lucas hardened 2 to 215p after Press comment.

Textiles displayed no set trend for moderate business. Courtaulds drifted 2 easier to 133p and Small and Thomas gave up 3 at 48p, but Early's of Wincey put on 4 to 44p. Toys, in contrast, firmed and Imps lost 4 at 170p.

Among Financial Trustees, R. P. Martin lost 10 to 285p ahead of Thursday's preliminary results. Smithers eased further and closed the same amount down at 400p.

Atlantic Res. firm Leading Oils showed minor losses for much of the day but came under persistent light selling in the afternoon trade following the downturn on Wall Street. BP settled 7 lower at 508p and Shell back to close 10 down at 685p. Royal Dutch dipped 1 to 54 1/2p. Favourable Press comment and another encouraging drilling report from the Talsman 1 exploration well drilled off of Western Australia prompted a good early support for LASMO, which touched 385p before closing a couple of pence harder at 347p.

Style and Prog. firmed 3 to 225p, Britoil gave up 2 to 246p; oil production from the Deveron oilfield in the North Sea came over the weekend at a rate of 6,000 barrels a day. Irish exploration issues provided a number of firm features. Persistent rumours of another oil discovery in the Celtic Sea, this time in Block 49/10 where Gulf Oil is currently drilling an exploration well, boosted Atlantic Resources to 128p prior to a closing level of 122p, a net gain of 14 and a jump of 47 over the past five trading days.

McLeod Russel featured Plantations, rising 16 to 318p in response to an investment recommendation.

Charter weak All eyes in the mining market were riveted on Charter Con-

solidated following the trading suspension of Johnson Matthey, in which Charter holds a 27.9 per cent stake. News that Johnson Matthey Bankers had been rescued by the Bank of England and that Charter Consolidated would subscribe £25m for 25m new Convertible Preference shares in Johnson Matthey saw Charter marked down sharply at the outset to 215p. "Cheap" buying prompted a rally to 223p before the quotation eased back again to close a net 20 lower at 220p.

The Johnson Matthey news caused a tremor throughout the bullion markets. Gold was trading around \$345 in Hong Kong and edged up to \$347 in London during pre-market trading when rumours concerning Johnson Matthey began to circulate. Following the statement from the Bank of England the price eased back and was finally quoted at \$345.75 an ounce, a net gain of \$2.

Gold shares were unaffected and held relatively steady throughout the session reflecting a general lack of interest. The majority of leading issues showed minor movements in the either direction and the Gold Mines index eased 1 to 360.4.

Southern Financials were quietly mixed. De Beers improved around 4 to 430p ex-dividend and was finally quoted at \$345.75 an ounce, a net gain of \$2.

Australians made modest progress. Among the leaders, Western Mining were prominent and rose 6 to 222p, while North Broken Hill edged up 4 to 156p. Golds attracted a sporadic business. Poseidon Western Mining rose 2 1/2 to 213p and Central Norwegian a like amount to the good at \$48p. Whim Creek rose 4 to 178p, but GMEK gave up 10 to 410p.

Business in Traded Options got away to a slow start with only 3,020 deals completed yesterday compared with Friday's impressive total of 6,888. The FTSE index attracted 160 calls and 285 puts. Elsewhere, investors continued to favour Tralfalgar House in which 597 calls and 20 puts were done.

ACTIVE STOCKS Above average activity was noted in the following stocks yesterday.

Table of Active Stocks with columns for Stock Name, Change, and Day's Change.

FRIDAY'S ACTIVE STOCKS Based on bargains recorded in Stock Exchange Official List.

Table of Friday's Active Stocks with columns for Stock Name, Fri. change, and Day's change.

RISES AND FALLS YESTERDAY

Table of Rises and Falls Yesterday with columns for Category, Rise/Fall, and Same.

Table of Recent Issues with columns for Issue Price, Amount, Date, and Stock Name.

Table of Fixed Interest Stocks with columns for Issue Price, Amount, Date, and Stock Name.

Table of Rights Offers with columns for Issue Price, Amount, Date, and Stock Name.

Table of New Highs and Lows for 1984 with columns for Stock Name, High, and Low.

Table of Options with columns for Option Name, Call/Put, and Price.

Table of Options with columns for Option Name, Call/Put, and Price.

Table of Options with columns for Option Name, Call/Put, and Price.

Table of Options with columns for Option Name, Call/Put, and Price.

Table of Options with columns for Option Name, Call/Put, and Price.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries.

Table of FT-Actuaries Share Indices with columns for Index No., Date, and Index Value.

FIXED INTEREST

Table of Fixed Interest with columns for Index No., Date, and Index Value.

MONTHLY AVERAGES OF STOCK INDICES

Table of Monthly Averages of Stock Indices with columns for Index Name, September, August, July, and June.

Table of Monthly Averages of Stock Indices with columns for Index Name, September High, and September Low.

EUROPEAN OPTIONS EXCHANGE

Table of European Options Exchange with columns for Series, Vol., Nov., Last, Vol., Feb., Last, Vol., May, Last, and Stock.

LONDON TRADED OPTIONS

Table of London Traded Options with columns for Option Name, Call/Put, and Price.

WOLSELEY HUGHES

From Norwich to Nashville
we're growing
from strength to strength

Plumbing and Heating supplies in the U.K. and U.S.
Agricultural Machinery Engineering, Plastics.

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

High	Low	Stock	Price	% Chg	Yield
"Shorts" (Lives up to Five Years)					
1054	101	Treas. 1991-95	102.75	14.74	10.35
1024	100	Each. 12m Govt '95	102.00	11.90	10.75
1014	98	10% Treasury 1991-95	101.00	12.16	11.60
1004	96	10% Treasury 1991-95	100.00	12.42	12.45
994	94	10% Treasury 1991-95	99.00	12.68	13.30
984	92	10% Treasury 1991-95	98.00	12.94	14.15
974	90	10% Treasury 1991-95	97.00	13.20	15.00
964	88	10% Treasury 1991-95	96.00	13.46	15.85
954	86	10% Treasury 1991-95	95.00	13.72	16.70
944	84	10% Treasury 1991-95	94.00	13.98	17.55
934	82	10% Treasury 1991-95	93.00	14.24	18.40
924	80	10% Treasury 1991-95	92.00	14.50	19.25
914	78	10% Treasury 1991-95	91.00	14.76	20.10
904	76	10% Treasury 1991-95	90.00	15.02	20.95
894	74	10% Treasury 1991-95	89.00	15.28	21.80
884	72	10% Treasury 1991-95	88.00	15.54	22.65
874	70	10% Treasury 1991-95	87.00	15.80	23.50
864	68	10% Treasury 1991-95	86.00	16.06	24.35
854	66	10% Treasury 1991-95	85.00	16.32	25.20
844	64	10% Treasury 1991-95	84.00	16.58	26.05
834	62	10% Treasury 1991-95	83.00	16.84	26.90
824	60	10% Treasury 1991-95	82.00	17.10	27.75
814	58	10% Treasury 1991-95	81.00	17.36	28.60
804	56	10% Treasury 1991-95	80.00	17.62	29.45
794	54	10% Treasury 1991-95	79.00	17.88	30.30
784	52	10% Treasury 1991-95	78.00	18.14	31.15
774	50	10% Treasury 1991-95	77.00	18.40	32.00
764	48	10% Treasury 1991-95	76.00	18.66	32.85
754	46	10% Treasury 1991-95	75.00	18.92	33.70
744	44	10% Treasury 1991-95	74.00	19.18	34.55
734	42	10% Treasury 1991-95	73.00	19.44	35.40
724	40	10% Treasury 1991-95	72.00	19.70	36.25
714	38	10% Treasury 1991-95	71.00	19.96	37.10
704	36	10% Treasury 1991-95	70.00	20.22	37.95
694	34	10% Treasury 1991-95	69.00	20.48	38.80
684	32	10% Treasury 1991-95	68.00	20.74	39.65
674	30	10% Treasury 1991-95	67.00	21.00	40.50
664	28	10% Treasury 1991-95	66.00	21.26	41.35
654	26	10% Treasury 1991-95	65.00	21.52	42.20
644	24	10% Treasury 1991-95	64.00	21.78	43.05
634	22	10% Treasury 1991-95	63.00	22.04	43.90
624	20	10% Treasury 1991-95	62.00	22.30	44.75
614	18	10% Treasury 1991-95	61.00	22.56	45.60
604	16	10% Treasury 1991-95	60.00	22.82	46.45
594	14	10% Treasury 1991-95	59.00	23.08	47.30
584	12	10% Treasury 1991-95	58.00	23.34	48.15
574	10	10% Treasury 1991-95	57.00	23.60	49.00
564	8	10% Treasury 1991-95	56.00	23.86	49.85
554	6	10% Treasury 1991-95	55.00	24.12	50.70
544	4	10% Treasury 1991-95	54.00	24.38	51.55
534	2	10% Treasury 1991-95	53.00	24.64	52.40
524	0	10% Treasury 1991-95	52.00	24.90	53.25

Five to Fifteen Years

High	Low	Stock	Price	% Chg	Yield
1154	111	Treas. 1996-2000	110.75	6.28	10.37
1144	109	Each. 12m Govt '00	110.00	6.54	11.22
1134	107	10% Treasury 1996-2000	109.00	6.80	12.07
1124	105	10% Treasury 1996-2000	108.00	7.06	12.92
1114	103	10% Treasury 1996-2000	107.00	7.32	13.77
1104	101	10% Treasury 1996-2000	106.00	7.58	14.62
1094	99	10% Treasury 1996-2000	105.00	7.84	15.47
1084	97	10% Treasury 1996-2000	104.00	8.10	16.32
1074	95	10% Treasury 1996-2000	103.00	8.36	17.17
1064	93	10% Treasury 1996-2000	102.00	8.62	18.02
1054	91	10% Treasury 1996-2000	101.00	8.88	18.87
1044	89	10% Treasury 1996-2000	100.00	9.14	19.72
1034	87	10% Treasury 1996-2000	99.00	9.40	20.57
1024	85	10% Treasury 1996-2000	98.00	9.66	21.42
1014	83	10% Treasury 1996-2000	97.00	9.92	22.27
1004	81	10% Treasury 1996-2000	96.00	10.18	23.12
994	79	10% Treasury 1996-2000	95.00	10.44	23.97
984	77	10% Treasury 1996-2000	94.00	10.70	24.82
974	75	10% Treasury 1996-2000	93.00	10.96	25.67
964	73	10% Treasury 1996-2000	92.00	11.22	26.52
954	71	10% Treasury 1996-2000	91.00	11.48	27.37
944	69	10% Treasury 1996-2000	90.00	11.74	28.22
934	67	10% Treasury 1996-2000	89.00	12.00	29.07
924	65	10% Treasury 1996-2000	88.00	12.26	29.92
914	63	10% Treasury 1996-2000	87.00	12.52	30.77
904	61	10% Treasury 1996-2000	86.00	12.78	31.62
894	59	10% Treasury 1996-2000	85.00	13.04	32.47
884	57	10% Treasury 1996-2000	84.00	13.30	33.32
874	55	10% Treasury 1996-2000	83.00	13.56	34.17
864	53	10% Treasury 1996-2000	82.00	13.82	35.02
854	51	10% Treasury 1996-2000	81.00	14.08	35.87
844	49	10% Treasury 1996-2000	80.00	14.34	36.72
834	47	10% Treasury 1996-2000	79.00	14.60	37.57
824	45	10% Treasury 1996-2000	78.00	14.86	38.42
814	43	10% Treasury 1996-2000	77.00	15.12	39.27
804	41	10% Treasury 1996-2000	76.00	15.38	40.12
794	39	10% Treasury 1996-2000	75.00	15.64	40.97
784	37	10% Treasury 1996-2000	74.00	15.90	41.82
774	35	10% Treasury 1996-2000	73.00	16.16	42.67
764	33	10% Treasury 1996-2000	72.00	16.42	43.52
754	31	10% Treasury 1996-2000	71.00	16.68	44.37
744	29	10% Treasury 1996-2000	70.00	16.94	45.22
734	27	10% Treasury 1996-2000	69.00	17.20	46.07
724	25	10% Treasury 1996-2000	68.00	17.46	46.92
714	23	10% Treasury 1996-2000	67.00	17.72	47.77
704	21	10% Treasury 1996-2000	66.00	17.98	48.62
694	19	10% Treasury 1996-2000	65.00	18.24	49.47
684	17	10% Treasury 1996-2000	64.00	18.50	50.32
674	15	10% Treasury 1996-2000	63.00	18.76	51.17
664	13	10% Treasury 1996-2000	62.00	19.02	52.02
654	11	10% Treasury 1996-2000	61.00	19.28	52.87
644	9	10% Treasury 1996-2000	60.00	19.54	53.72
634	7	10% Treasury 1996-2000	59.00	19.80	54.57
624	5	10% Treasury 1996-2000	58.00	20.06	55.42
614	3	10% Treasury 1996-2000	57.00	20.32	56.27
604	1	10% Treasury 1996-2000	56.00	20.58	57.12

Over Fifteen Years

High	Low	Stock	Price	% Chg	Yield
1204	116	10% Treasury 2001-2005	115.75	10.88	10.44
1194	114	Each. 12m Govt '05	115.00	11.14	11.29
1184	112	10% Treasury 2001-2005	114.00	11.40	12.14
1174	110	10% Treasury 2001-2005	113.00	11.66	13.00
1164	108	10% Treasury 2001-2005	112.00	11.92	13.85
1154	106	10% Treasury 2001-2005	111.00	12.18	14.70
1144	104	10% Treasury 2001-2005	110.00	12.44	15.55
1134	102	10% Treasury 2001-2005	109.00	12.70	16.40
1124	100	10% Treasury 2001-2005	108.00	12.96	17.25
1114	98	10% Treasury 2001-2005	107.00	13.22	18.10
1104	96	10% Treasury 2001-2005	106.00	13.48	18.95
1094	94	10% Treasury 2001-2005	105.00	13.74	19.80
1084	92	10% Treasury 2001-2005	104.00	14.00	20.65
1074	90	10% Treasury 2001-2005	103.00	14.26	21.50
1064	88	10% Treasury 2001-2005	102.00	14.52	22.35
1054	86	10% Treasury 2001-2005	101.00	14.78	23.20
1044	84	10% Treasury 2001-2005	100.00	15.04	24.05
1034	82	10% Treasury 2001-2005	99.00	15.30	24.90
1024	80	10% Treasury 2001-2005	98.00	15.56	25.75
1014	78	10% Treasury 2001-2005	97.00	15.82	26.60
1004	76	10% Treasury 2001-2005	96.00	16.08	27.45
994	74	10% Treasury 2001-2005	95.00	16.34	28.30
984	72	10% Treasury 2001-2005	94.00	16.60	29.15
974	70	10% Treasury 2001-2005	93.00	16.86	30.00
964	68	10% Treasury 2001-2005	92.00	17.12	30.85
954	66	10% Treasury 2001-2005	91.00	17.38	31.70
944	64	10% Treasury 2001-2005	90.00	17.64	32.55
934	62	10% Treasury 2001-2005	89.00	17.90	33.40
924	60	10% Treasury 2001-2005	88.00	18.16	34.25
914	58	10% Treasury 2001-2005	87.00	18.42	35.10
904	56	10% Treasury 2001-2005	86.00	18.68	35.95
894	54	10% Treasury 2001-2005	85.00	18.94	36.80
884	52	10% Treasury 2001-2005	84.00	19.20	37.65
874	50	10% Treasury 2001-2005	83.00	19.46	38.50
864	48	10% Treasury 2001-2005	82.00	19.72	39.35
854	46	10% Treasury 2001-2005	81.00	19.98	40.20
844	44	10% Treasury 2001-2005	80.00	20.24	41.05
834	42	10% Treasury 2001-2005	79.00	20.50	41.90
824	40	10% Treasury 2001-2005	78.00	20.76	42.75
814	38	10% Treasury 2001-2005	77.00	21.02	43.60
804	36	10% Treasury 2001-2005	76.00	21.28	44.45
794	34	10% Treasury 2001-2005	75.00	21.54	45.30
784	32	10% Treasury 2001-2005	74.00	21.80	46.15
774	30	10% Treasury 2001-2005	73.00	22.06	47.00
764	28	10% Treasury 2001-2005	72.00	22.32	

هكذا من انزل

INDUSTRIALS—Continued. Table listing various industrial stocks with columns for stock name, price, and other financial metrics.

LEISURE—Continued. Table listing leisure-related stocks such as hotels and entertainment companies.

PROPERTY—Continued. Table listing real estate and property investment trusts.

INVESTMENT TRUSTS—Cont. Table listing various investment trusts and funds.

OIL AND GAS—Continued. Table listing oil and gas industry stocks.

NOMURA INTERNATIONAL LIMITED. NEW-ERA INVESTMENT AND UNDERWRITING. OFFICES WORLDWIDE. 3 Greenchurch Street, EC3V 0AD. Telephone (01) 283 8811.

MINES—Continued. Table listing mining stocks.

Central African. Table listing stocks from Central African countries.

Australians. Table listing Australian stocks.

Tins. Table listing tin-related stocks.

Miscellaneous. Table listing various miscellaneous stocks.

PLANTATIONS. Table listing plantation stocks.

TEAS. Table listing tea-related stocks.

MINES. Table listing mining stocks.

Central Rand. Table listing Central Rand mining stocks.

Eastern Rand. Table listing Eastern Rand mining stocks.

Far West Rand. Table listing Far West Rand mining stocks.

O.F.S. Table listing O.F.S. stocks.

Regional & Irish Stocks. Table listing regional and Irish stocks.

Options—3-month call rates. Table listing options and call rates.

Finance, Land, etc. Table listing finance and land-related stocks.

Oil and Gas. Table listing oil and gas stocks.

Trusts, Finance, Land. Table listing trusts, finance, and land-related stocks.

NOTES. Text providing additional information and disclaimers regarding the data presented.

AUTHORIZED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Tr. Mgrs., British Group - Continued, and others, with columns for trust names, managers, and performance metrics.

FT UNIT TRUST INFORMATION SERVICE

Main table of FT Unit Trust Information Service, listing numerous unit trusts like Franklin Unit Mgt. Ltd., Key Fund Managers Ltd., and others, with detailed columns for trust names, managers, and performance data.

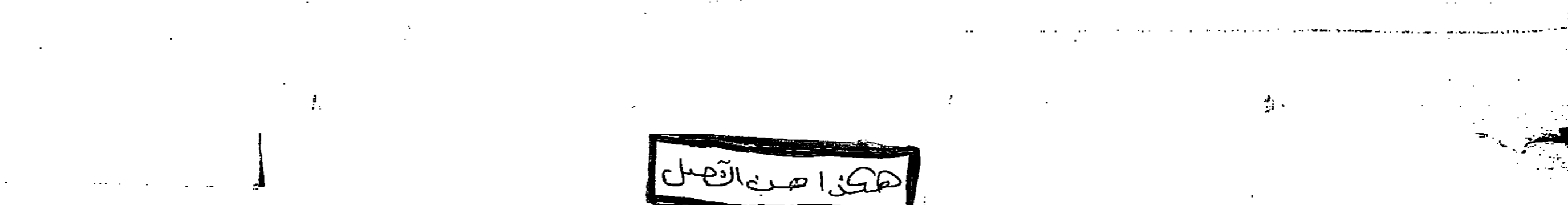
Table of Financial Times Tuesday October 2 1984, listing various financial products and services, including City of Westminster Assurance, General Portfolio Life Ins. PLC, and others.

F.T. CROSSWORD PUZZLE No. 5,532

Crossword puzzle grid with clues for Across and Down words. Clues include 'Hungarian garment (6)', 'Old coin-type to arrange (8)', etc.

Solution to the crossword puzzle, showing the filled-in grid with words like 'GALLET', 'SILVER', 'MIRROR', 'WORMLIKE', etc.

Additional financial information and advertisements, including 'INSURANCES' and 'LEGAL & GENERAL (UNIT TRUSTS) LTD.', with details on various insurance and investment products.



INSURANCE, OVERSEAS & MONEY FUNDS

Table of insurance and overseas funds including Liberty Life Assurance Co Ltd, Life Assurance Co of Pennsylvania, and various international investment funds.

Table of insurance and overseas funds including Sarg & Prosser, Target Life Assurance Co Ltd, and various international investment funds.

Table of insurance and overseas funds including C.A.L. Investments (IOM) Ltd, Grandway Henderson Mgt Ltd, and various international investment funds.

Table of money market and trust funds including Money Market Trust Funds, Money Market Bank Accounts, and various international investment funds.

OFFSHORE AND OVERSEAS

Section detailing offshore and overseas investment opportunities, including mentions of the English Association and various international funds.

NOTES

Notes section providing additional information and commentary on the market, including interest rates and fund performance.

COMMODITIES AND AGRICULTURE

Consumers win coffee quota rise

CONSUMERS appear to have fared reasonably well in the last-minute deal yesterday morning that concluded the International Coffee Organization's negotiations on regulating supplies and prices for the 1984/85 season.

LME gives go-ahead to Johnson Matthey

JOHNSON MATTHEY Commodities is permitted to continue normal "ring-dealing" trading activity on the London Metal Exchange, it was confirmed yesterday.

Kenyan sisal outlook good despite drought

KENYA'S worst drought in over 50 years has so far had little impact on the volume of sisal production in the country and industry officials predict that the total 1984 crop could well equal last year's 50,000 tonnes.

Nicaragua raises farm wages to boost output

THE NICARAGUAN Government has introduced a series of wage increases, linked to productivity agreements, of up to 100 per cent in the agricultural sector to stimulate export crop and basic grain production.

More U.S. lead workers strike

LEAD PRICES rose on the London Metal Exchange yesterday following news that workers had gone on strike at Asarco's Glover smelter in Missouri on Sunday night when their labour contracts expired.

Quiet start for Kuala Lumpur tin market

By Wong Sulong in Kuala Lumpur THE Kuala Lumpur Tin Market, which replaced the Penang market in fixing the daily price of Straits tin, began operations yesterday under quiet conditions.

London tea prices stable

TEA PRICES were quoted only marginally higher at the London weekly auction yesterday in spite of continuing strong demand.

AMERICAN MARKETS

NEW YORK, October 1 - Gold and silver were generally mixed with light support developing a bit in the afternoon.

PRICE CHANGES

Table with columns: Commodity, Oct 1 1984, +/-, Month ago. Includes Metals, Oils, Grains, and other commodities.

BRITISH COMMODITY PRICES

Table with columns: Commodity, Oct 1 1984, +/-, Month ago. Includes Base Metals, Copper, Tin, Lead, Zinc, and other commodities.

AMERICAN MARKETS

Table with columns: Commodity, Oct 1 1984, +/-, Month ago. Includes Wheat, Corn, Soybeans, and other commodities.

AMERICAN MARKETS

Table with columns: Commodity, Oct 1 1984, +/-, Month ago. Includes various agricultural and industrial commodities.

LONDON OIL SPOT PRICES

Table with columns: Oil type, Latest, +/-, Change. Includes Arabian Light, Brent, and other oil grades.

GAS OIL FUTURES

Table with columns: Month, Yesterday's close, +/-, Business Done. Includes various gas oil contracts.

INDICES

Table with columns: Index Name, Value, +/-, % Change. Includes Financial Times, Reuters, and Dow Jones.

CHICAGO

Table with columns: Commodity, Close, High, Low, Prev. Includes Live Cattle, Hogs, and other livestock.

GOLD MARKETS

Gold rose \$2 an ounce from Friday's close in the London bullion market to finish at \$345.34.

LEAD

Table with columns: Commodity, a.m., +/-, p.m., +/-, Official, +/-, Unofficial, +/-. Includes various lead grades.

SOYABEAN MEAL

Table with columns: Commodity, a.m., +/-, p.m., +/-, Official, +/-, Unofficial, +/-. Includes various soybean meal grades.

MEAT/FISH

Table with columns: Commodity, a.m., +/-, p.m., +/-, Official, +/-, Unofficial, +/-. Includes various meat and fish products.

GOLD MARKETS

Table with columns: Gold Bullion (fine ounce), Close, High, Low, Prev. Includes various gold bullion contracts.

ZINC

Table with columns: Commodity, a.m., +/-, p.m., +/-, Official, +/-, Unofficial, +/-. Includes various zinc grades.

GRAINS

Table with columns: Commodity, a.m., +/-, p.m., +/-, Official, +/-, Unofficial, +/-. Includes various grain products.

MEAT/FISH

Table with columns: Commodity, a.m., +/-, p.m., +/-, Official, +/-, Unofficial, +/-. Includes various meat and fish products.

EUROPEAN MARKETS

NOTEDAM, October 1 - Wheat (U.S. \$ per tonne): U.S. two soft red winter wheat 167.50, Dec 1984, Feb 167.50.

ALUMINIUM

Table with columns: Commodity, a.m., +/-, p.m., +/-, Official, +/-, Unofficial, +/-. Includes various aluminium grades.

WHEAT

Table with columns: Commodity, a.m., +/-, p.m., +/-, Official, +/-, Unofficial, +/-. Includes various wheat grades.

MEAT/FISH

Table with columns: Commodity, a.m., +/-, p.m., +/-, Official, +/-, Unofficial, +/-. Includes various meat and fish products.

Handwritten note: "The pound is a..."

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar recovers from sharp fall

The dollar recovered from the day's low to finish only marginally down from Friday's levels. Early trading had seen the dollar...

England figures, its index fell to 141.7 from 141.5. Sterling remained on the sidelines for much of the day with its Bank of England index...

threat of intervention by the Bundesbank now seems to create a disorderly market, the very thing that intervention was designed to counter. There is a growing suspicion that the Bundesbank may be acting to keep the dollar within recent trading bands so as to discourage the sort of snowball effect...

FINANCIAL FUTURES

Gilts firmer

Gilt prices reversed an early weakness to finish close to the best level of the day in the London International Financial Futures Exchange yesterday. In rather quiet trading the December contract opened at 106-16 down from 106-23 on Friday and on the back of easier U.S. markets. The opening level proved to be the day's low and profit taking combined with a softer dollar to push values...

STERLING EXCHANGE RATE INDEX (Bank of England) Table with columns for Oct 1, Previous, and various currency rates.

EMS EUROPEAN CURRENCY UNIT RATES

Table showing EMS European Currency Unit Rates for various currencies like Belgian Franc, Danish Krone, etc.

DOLLAR SPOT - FORWARD AGAINST DOLLAR

Table showing Dollar Spot and Forward rates against the Dollar for various currencies.

POUND SPOT - FORWARD AGAINST POUND

Table showing Pound Spot and Forward rates against the Pound for various currencies.

CURRENCY MOVEMENTS

Table showing Currency Movements for various currencies.

OTHER CURRENCIES

Table showing Other Currencies rates for various regions.

CURRENCY RATES

Table showing Currency Rates for various currencies.

EXCHANGE CROSS RATES

Table showing Exchange Cross Rates for various currencies.

CURRENCY RATES (continued)

Table showing Currency Rates (continued) for various currencies.

EURO-CURRENCY INTEREST RATES

Table showing Euro-Currency Interest Rates for various currencies.

CURRENCY RATES (continued)

Table showing Currency Rates (continued) for various currencies.

MONEY MARKETS

Interest rates were unchanged to a little firmer in London yesterday in rather lacklustre trading. Sterling maintained a steady path and there was little to suggest a market...

CURRENCY RATES (continued)

Table showing Currency Rates (continued) for various currencies.

UK clearing banks' base lending rate 10 1/2 per cent

Exchange transactions for the day were £268m. There was also a shortfall of £45m in bank balances brought forward from Friday. On the other hand there was a fall in the note circulation of £280m.

CURRENCY RATES (continued)

Table showing Currency Rates (continued) for various currencies.

FT LONDON INTERBANK FIXING

Table showing FT London Interbank Fixing rates for various currencies.

CURRENCY RATES (continued)

Table showing Currency Rates (continued) for various currencies.

MONEY RATES

Table showing Money Rates for various currencies.

FT LONDON INTERBANK FIXING (continued)

Table showing FT London Interbank Fixing (continued) rates.

FT LONDON INTERBANK FIXING (continued)

Table showing FT London Interbank Fixing (continued) rates.

FT LONDON INTERBANK FIXING (continued)

Table showing FT London Interbank Fixing (continued) rates.

FT LONDON INTERBANK FIXING (continued)

Table showing FT London Interbank Fixing (continued) rates.

20-YEAR 12% NATIONAL GILT

Table showing 20-Year 12% National Gilt rates.

STERLING 2005 LEAS

Table showing Sterling 2005 Leas rates.

FT-SE 100 INDEX

Table showing FT-SE 100 Index data.

U.S. TREASURY BONDS

Table showing U.S. Treasury Bonds data.

U.S. TREASURY BILLS

Table showing U.S. Treasury Bills data.

U.S. TREASURY BONDS (continued)

Table showing U.S. Treasury Bonds (continued) data.

U.S. TREASURY BILLS (continued)

Table showing U.S. Treasury Bills (continued) data.

U.S. TREASURY BONDS (continued)

Table showing U.S. Treasury Bonds (continued) data.

U.S. TREASURY BILLS (continued)

Table showing U.S. Treasury Bills (continued) data.

U.S. TREASURY BONDS (continued)

Table showing U.S. Treasury Bonds (continued) data.

U.S. TREASURY BILLS (continued)

Table showing U.S. Treasury Bills (continued) data.

YOUR COMPANY IMAGE advertisement featuring promotional gifts like key rings, cuff links, and pens.

MIKUNI'S CREDIT RATINGS advertisement listing about 1,800 bond issues by more than 550 Japanese companies.

Legal Notices and Clubs advertisement section.

Art Galleries advertisement section.

WORLD VALUE OF THE POUND

Large table showing the world value of the pound across various countries and currencies.

Footnote explaining abbreviations and symbols used in the World Value of the Pound table.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for October 1.

IS. BOND	Yield	Price	Change	IS. BOND	Yield	Price	Change
STANBURY 11% 84	100	100	-0.1	STANBURY 11% 84	100	100	-0.1
STANBURY 11% 84	100	100	-0.1	STANBURY 11% 84	100	100	-0.1
STANBURY 11% 84	100	100	-0.1	STANBURY 11% 84	100	100	-0.1
STANBURY 11% 84	100	100	-0.1	STANBURY 11% 84	100	100	-0.1
STANBURY 11% 84	100	100	-0.1	STANBURY 11% 84	100	100	-0.1

IS. BOND	Yield	Price	Change	IS. BOND	Yield	Price	Change
STANBURY 11% 84	100	100	-0.1	STANBURY 11% 84	100	100	-0.1
STANBURY 11% 84	100	100	-0.1	STANBURY 11% 84	100	100	-0.1
STANBURY 11% 84	100	100	-0.1	STANBURY 11% 84	100	100	-0.1
STANBURY 11% 84	100	100	-0.1	STANBURY 11% 84	100	100	-0.1
STANBURY 11% 84	100	100	-0.1	STANBURY 11% 84	100	100	-0.1

CAPITAL MARKETS

£30m Eurosterling issue by Rowntree

BY MAGGIE URRY IN LONDON

ANOTHER \$300m worth of new issues hit the Eurodollar bond market yesterday. The deal of the day, however, came in the Eurosterling sector, from Rowntree Macintosh.

Like the convertible bond issue for ICI last week, J. Henry Schroder & Wagg lead managed Rowntree's equity-linked £30m Eurosterling bond. This one comes with warrants each to buy 294 shares at 340p a share, a 5 per cent premium to the share price in the market yesterday.

The bonds have a five-year life and a 7 1/2 per cent coupon, and the package of one bond and one warrant was priced at 100 (85 for the bond, 15 for the warrant).

The package was bid at 100%, with the warrants proving more popular than the bonds.

In the dollar market, Centrust Savings and Loan, the new name for Dada Savings and Loan, launched a \$100m floating rate note which was increased to \$125m later in the day.


The notes are in registered form so that the issue can be backed by U.S. government agency securities under the new U.S. Treasury rules.

The 10-year notes pay a six-monthly rate calculated with reference to U.S. Treasury securities' interest rates, currently higher than

OVER-THE-COUNTER

Stock	Sales	High	Low	Last	Change	Stock	Sales	High	Low	Last	Change
Alcoa	109	25 1/2	25 1/2	25 1/2	-	Alcoa	109	25 1/2	25 1/2	25 1/2	-
Amgen	109	17 1/2	17 1/2	17 1/2	-	Amgen	109	17 1/2	17 1/2	17 1/2	-
Amgen	109	17 1/2	17 1/2	17 1/2	-	Amgen	109	17 1/2	17 1/2	17 1/2	-
Amgen	109	17 1/2	17 1/2	17 1/2	-	Amgen	109	17 1/2	17 1/2	17 1/2	-
Amgen	109	17 1/2	17 1/2	17 1/2	-	Amgen	109	17 1/2	17 1/2	17 1/2	-

June 1984
This announcement appears as a matter of record only



Ferrocarrils de la Generalitat de Catalunya

ECU 30,000,000

Multi-Currency Medium Term Loan

Guaranteed by **Generalitat de Catalunya**

Arranged by **Lloyds Bank International Limited**

Managed and Provided by **Lloyds Bank International Limited**
Caixa de Barcelona
The Dai-ichi Kangyo Bank, Limited
The Kyowa Bank, Ltd.
Banco Atlantico SA
Banco de Sabadell SA

Agent Bank **Lloyds Bank International**
 Financial Adviser to the Borrower **Servicios Economicos Internacionales, S.A. (S.E.I.S.A.)**

This announcement appears as a matter of record only.

\$200,000,000

Commercial Paper Program

for

SBNSW (Delaware) Inc.

guaranteed by

State Bank of New South Wales

MORGAN STANLEY & CO.
Incorporated

September 26, 1984



مركز الدراسات

FINANCIAL TIMES SURVEY

ADVERTISING MARKET • MEDIA • SERVICES

The industry's sharp gains in most sectors reflect the belief in 'advertising through recession'. Consumer spending is particularly strong

SUMMER MAY be well and truly over in the UK but for its advertising industry the sun shines on. The fortunes across all the main media sectors remain bullish. "We're in the middle of a strong boom," Mr Michael Waterson, research director of the Advertising Association, says, "with growth of a phenomenal nature across the board."

The best may be yet to come, too, according to AA forecasts. "I don't think the pace of growth can continue," says Mr Waterson, "but all categories will continue to do well for the next year and perhaps into mid-1986."

By demand for advertising is nothing new. Since the dip in 1975, when—in absolute terms and relative to consumer expenditure—advertising expenditure plummeted, the movement has been upward and upward.

Record levels were reached last year when the total spent topped £3,570m (at current prices), contributing 1.39 per cent of the gross national product. (1983's £3,126m was 1.35 per cent of GNP). Overall, total media expenditure has increased by 10 per cent in real terms. The forecast for 1985 is a record, £4.3bn.

This trend is clearly illustrated in the classified sector, nearly half of which is recruitment advertising—an apt reflection, the AA believes, of the economic recovery evidenced in certain other industrial quarters.

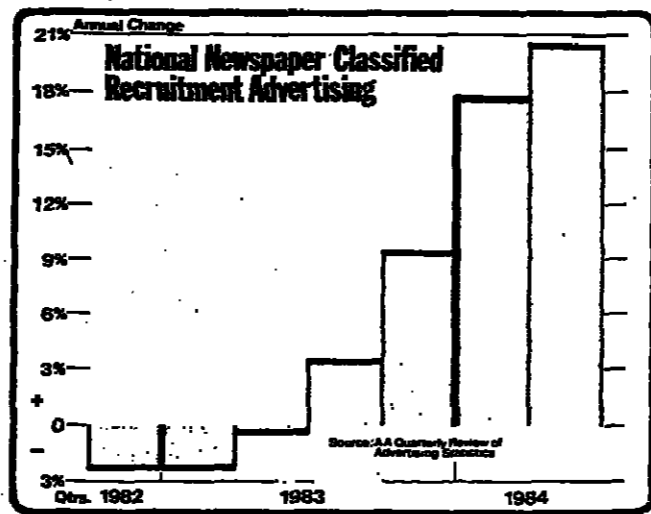
The same positive spirit is apparent, even if not so

dynamically, across the other principal media. Behind the upswing lie the guiding forces of consumer expenditure and company profits which, the AA has shown, act historically as twin barometers of the industry's fortunes.

It would appear, too, that the merits of "advertising through recession" and the belief at board level in treating advertising as investment rather than as a dispensable cost have been taken increasingly to heart.

Retail power
For manufacturers of consumer goods, battling against the growth of retail power, it has proved vital to boost brand awareness as well as product sales at a time of low overall economic growth.

The verdict from the City of the small but noticeable advertising and marketing sector continues to be one of enthusiasm. The clutch of publicly-quoted companies—joined recently on the advertising side by Valin Pollen on the United Securities Market, Lowe Howard-Spink Campbell-Ewald which opted for a full



listing, has on the whole turned in a strong performance with the Satchel star continuing to dazzle.

"The sector has significantly outperformed the stockmarket all year and prospects for the sector remain buoyant," says Mr Mark Sheppard, sector analyst at Phillips & Drew.

In the meantime, a number of other successful agencies, many of them non-existent five years ago, continue to flirt with the idea of joining the club, drawn by the obvious growth opportunities therein, and the undoubted kudos as well, no doubt, as the tantalising ratings.

As far as media are concerned, 1984 has in many respects been commercial television's year. Expenditure is up, it boasts a majority audience share, Channel 4 and TV-am are showing muscle, and the thorny Equity-IPA dispute is finally laid to rest. The two embryonic stations have respectively become fledglings of merit, with Channel 4 performing especially

well, finally convincing the industry—and it wanted convincing—that they are forces to be reckoned with. Ratings have, of course, been the main attraction, rising and steady.

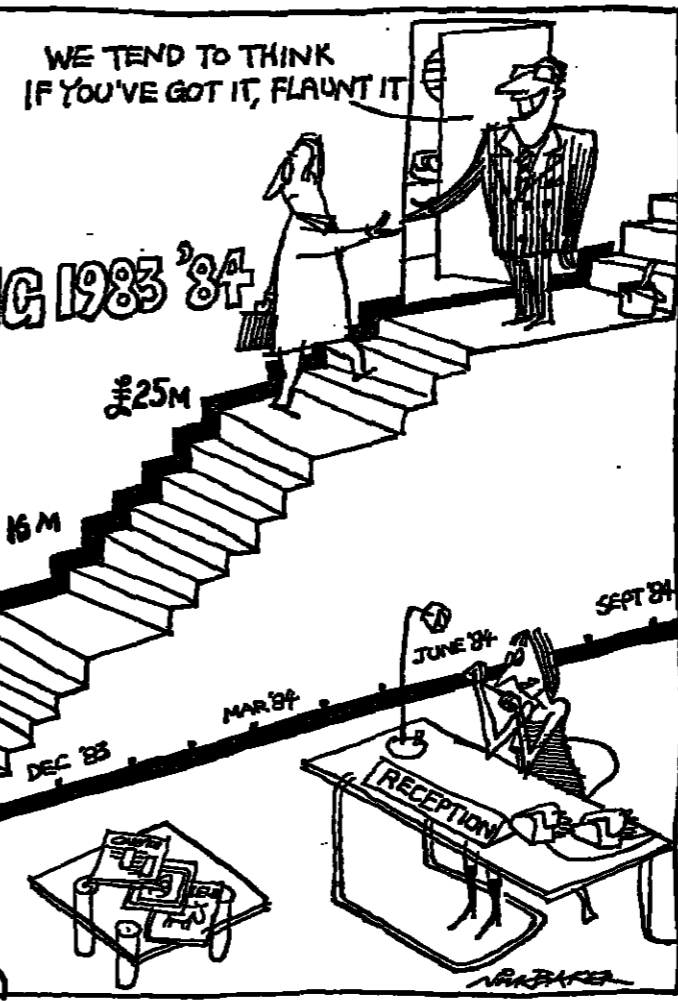
Now enjoying a steady 6 to 7 per cent audience share, Channel 4 is bullish about its progress as its pre-launch forecast of 10 per cent in three years looks even more feasible. "It is continuing to fulfil the remit from Parliament to complement ITV," says Mr Brian Sanctuary, marketing director of the Independent Television Companies Association (ITCA). Some 50 per cent of the total viewing audience tunes in, at some point each week, rising to 80 per cent over a month.

"The industry's view of the new stations, has been quite transformed," says Mr Martin Boose of Boose Massim Pollit. "It's not just the ratings, they've proved an important part of the repertory to watch." After all the tribulations, TV-am is finally beginning to pull its weight, showing a first ever

operational profit last month and a steady 45 to 55 per cent of the total breakfast audience, Monday to Friday.

Buoyant spending
Commercial television revenue for 1983 accounted for 31 per cent of the total cake, a 1.3 per cent rise on 1982. Revenue was up 13 per cent and the first half of 1984 shows a 16.6 per cent rise on the same period last year. All of the 14 contractors report buoyant spending.

According to the ITCA, ITV has strengthened its premier position against the competition, BBC 1 and 2, and recent research indicates that, contrary to belief, television audiences in general are not slipping. The latest Broadcasters Audience Research Board figures show that ITV plus Channel 4 has 57.5 per cent of total viewing audience—a good start to the autumn. Oracle, the commercial tele-



text operator, reports an overall teletext penetration of 2.16m homes, 10 per cent of households in the UK. It claims an average daily audience of nearly 2m, with a potential audience of 7m. The profile of the typical Oracle viewer shows a bias to the 15 to 34-year-old, spread evenly across the social spectrum.

The largest slice of the media cake, the press, which covers all newspapers and free sheets, (national and regional) as well as magazines (trade and consumer), directories and periodicals, accounted for 62.5 per cent of the total advertising expenditure of £2,236m in 1983 improving on its 1982 figure of £1,982m. It continues however to lose market share marginally to television.

Regional newspapers accounted for £817m which is 10.9 per cent up on the year before, with nationals at £584m (13.4 per cent up). Financial advertising topped up £42m

in 1983, an annual increase of £10m.

The rise of the free distribution newspaper goes on as titles flourish and multiply. There are now around 700—300 of them owned by paid-for publications. The inclusion of the free sheets in the Advertising Association statistics reflects their growing role in the total advertising picture.

In 1983 they accounted for £180m, 22 per cent of the total regional advertising quota growing nearly 50 per cent in two years.

"This year," says Mr Ian Lock of the Association of Free Newspapers (AFN), "revenue from free newspapers is expected to overtake that of the paid-for weeklies." Giveaway magazines of all denominations, are also proliferating at a rapid rate with some 70 titles known at last count and the AFN has now set up a magazine branch to represent them. Mr Cliff Harris, head of re-

Contents

The agencies: smiles from the City 2
 The advertisers: changes at the top 3
 Television: on a winning streak 4
 Direct Mail: downturn seen as hiccup 5
 Posters: better times ahead 5

OVERSEAS:
 U.S.: Madison Avenue rides high 6
 Europe: boom continues 6
 Japan: no place like home 6
 Press: free-for-all battle continues 7
 Radio: a ripple among the waves 7
 Regulation: pressure to maintain standards ... 7

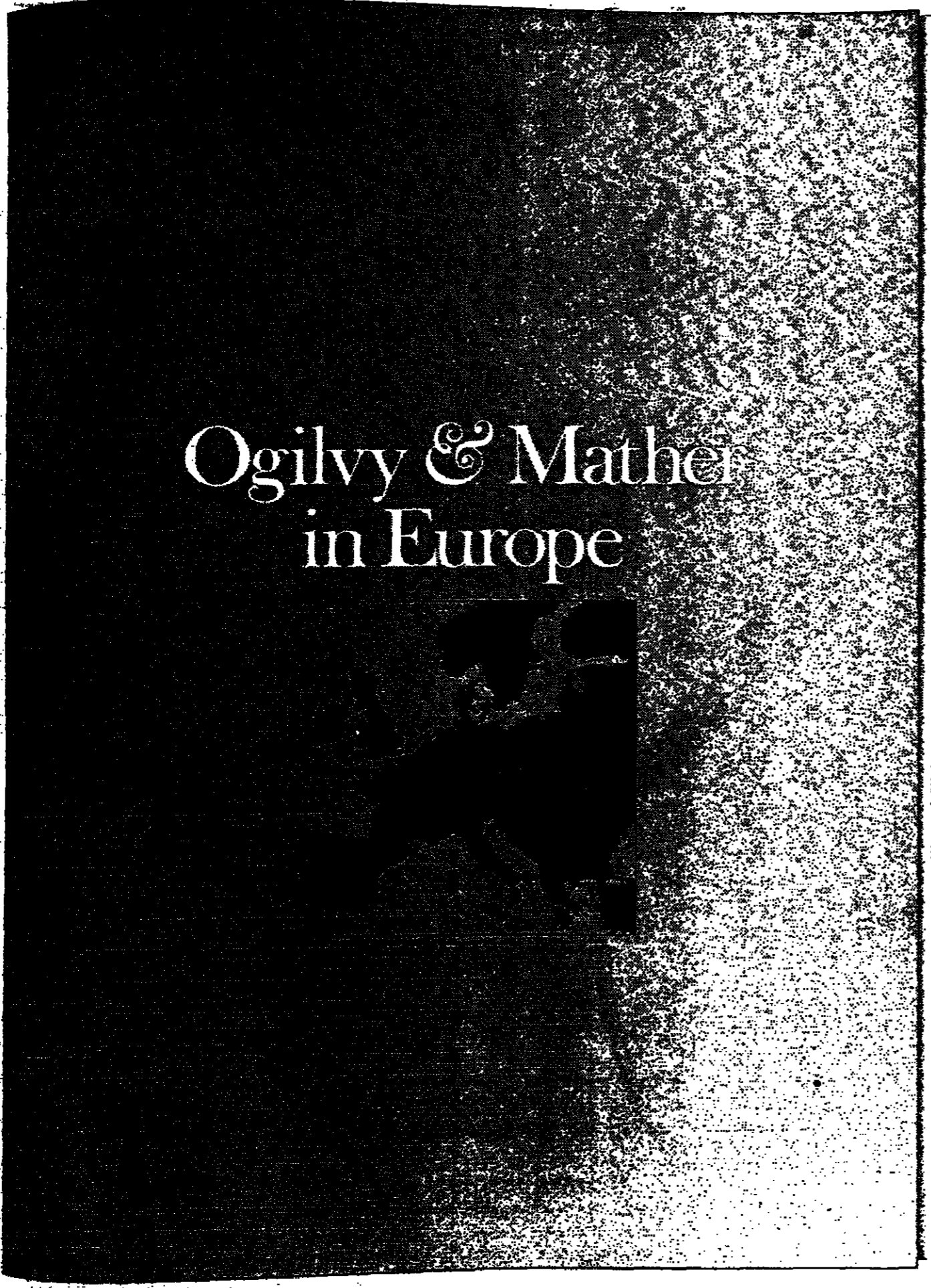
CASE STUDIES:
 International Wool Secretariat 2
 Audi 3
 Oxo 3
 Silk Cut 3

search at the Regional Newspaper Advertising Bureau notes that "the paid-for weeklies reach 56 per cent of all adults a week, a figure that has remained unchanged in the last seven years."

In many cases, he suggests, paid-for and giveaways complement each other though there may be a weeding out process among the oversaturated free distribution areas—Croydon alone, currently supports four. On the national press front, in spite of the approving noises at this year's Berlin Press conference in favour of a joint marketing forum (which the advertising community has advocated for years) there is little sign of any action.

Now that reasonable figures are available for comparison, the fortunes of direct mail, the UK's third largest advertising medium, are seen to have expanded until 1983 when a downturn occurred.

CONTINUED ON PAGE EIGHT



Ogilvy & Mather
in Europe

One quarter of the total income from the 39 different countries in which we operate comes from Europe...

The technological revolution has brought about a new approach to planning and buying pan-European media.

"In the performance dominated world of direct response you either sell or get fired."

Advertisers do not spend on advertising just to say something to consumers, but to do something to them.

...so we should know a thing or two about Europe.

Knowledge acquired through long term partnerships with clients such as Air Canada, American Express, Avon, Beechams, British Tourist Authority, Parker Pens, Phillips, Shell and Unilever resides in the 42 Ogilvy & Mather companies in 14 countries throughout Europe.

Knowledge that includes experience gained in Direct Response and Public Relations as well as advertising.

For more information about our capability in Europe send for a free copy of *Ogilvy & Mather in Europe*.

Write to Peter Warren, Ogilvy & Mather Limited, Brettenham House, Lancaster Place, London WC2E 7EZ.

Advertising 2

City smiles on high-performing newcomers

Agencies

FEONA McEWAN

DOWN IN the Square Mile, London's financial heart, it has been a year of laurels for the small but muscular advertising and marketing services sector of the stock market, the place where the business of producing good advertisements is regarded as second to the business of profits and loss.

It has been an outstanding year, say analysts of the comparatively new sector (at present no more than 14 companies) whose performance is of keen interest, if not inspiration, to the industry at large.

In the last 12 months, the sector has outperformed the FT-All Share Index by a notable 15 percentage points with an increase of 33.2 per cent compared with the FT-All Share Index rise of 18.3 per cent. The yield of 2.34 per cent compared to the FT Index's historic 4.72 per cent (ie half the market) reflects people's belief in the growth prospects of the advertising and marketing services sector. "The high-quality earnings growth that the industry has achieved and looks set for gives the sector deserved splendour," says Mark Sheppard of Phillips & Drew. "It has been one of the strongest sectors on the market and looks set to remain buoyant."

Marketing services analyst Mr Neil Blackley of James Capel, who charts the sector's weekly progress, reports that since he devised the scheme on October 7 1983, on an index of 100, the sector had risen to 124.7 at close of play on September 21.

Closer inspection reveals

uneven performances of individual stocks within the sector, reflecting the various trials of different companies. Besides the seven advertising agencies (this year saw the arrival of Lowe Howard-Spink, Campbell-Ewald, and Vallin Pollen) the sector includes related services of Sales Promotion (KLP Group and Promotions House), Market Research (AGB Research and Aidcom), Public Relations (Good Relations) and Design (Fitch & Co and Michael Peters).

Reasons for certain stocks underperforming tend to be specific rather than general, in the City's view—disappointments in subsidiaries at AGB; overseas troubles with Fitch & Co; diversification into non-marketing services affecting sentiment for Promotions House, and for Geers Gross, fall-out from its U.S. operations, where besides a fast and costly expansion programme it lost Puroator, one of its most profitable major clients.

Bruning suffered from disastrous diversifications outside advertising, but a poor performance in 1983—which saw pre-tax profits fall 27 per cent—is expected by brokers this year to be turned into £750,000 profit in the year to March 1985.

Unlike some industries e.g. oil, brewing, where general

inducement can affect an entire sector, individual stumbles of companies in the sector tend not to colour the stables, affecting individual ratings only. It would take general market factors such as the decline of advertising expenditure (and there's no sign of that at the moment) to dampen the ardour for this glamour sector.

Much of it is, thanks, of course, to the remarkable track record of the Saatchi empire, now number eight in the world



Two of the start-ups: Above (left to right) John Webster, creative director; Martin Boase, chairman; David Batterbee and Chris Powell, joint managing directors of Boase Massimi Pollitt. Above right (from left to right) Robin Wight, Ron Collins, Andrew Rutherford, Peter Scott, founders of the agency which bears their name

Good news comes from the seven companies which, after two sets of results, turned in fine performances, exceeding expenditure (and there's no sign of a share—Saatchi, Boase Massimi Pollitt, Good Relations, KLP, Michael Peters, Vallin Pollen and Wight Collins Rutherford Scott).

Historically it is credited with almost single handedly bringing the City round to an acceptance and respect for the communications business. In a quarter which 10 years ago viewed "people industries" askance, suspicion has been melted by results that have consistently impressed. As a business machine it has never faltered.

The City now no longer worries, as it once did, about the lack of tangible assets on an agency balance sheet, or undue people movement—sound earnings growth and the increase of share option schemes have persuaded it otherwise.

Innovative style

Asked to define the Saatchi success, normally reticent brokers reach for their super-

latives—its depth and degree of management skills, innovative style, aggressive pursuit of acquirers maintenance of a creative record at the same time as dynamic expansion at home and abroad. One broker put it this way: "I don't think there's another UK agency that could do another Saatchi," a reflection of its unique mixture of talent and timing. Another said: "There's a feeling that the brothers would have done well whatever they'd tackled."

"In the stockmarket," said Mr Sheppard of Phillips & Drew, "Saatchi is seen as an extremely well-managed company as well as an advertising agency."

This year Saatchi's strengthened domestically by absorbing one of the City's favourite quoted agencies, Harrison Cowley, into its autonomous subsidiary Crawford Halls,

making it the largest regional network and outspending it, it claims, into the top 10 (the third Saatchi shop there) with a billing of £85m.

This year the City is looking for pre-tax profits from Saatchi and Saatchi Garland Compton of around £16.5m over its £11.2m in 1983-84.

The Saatchi phenomenon has had a double-edged effect. On the one hand it has undoubtedly contributed to the overall respectability of the industry and given it more public credence, if it still lacks that. Yet the very degree of its success has set an impossible standard for fellow agencies, who excellent performances, suggest some analysts may seem the less so by comparison.

Another quite individual and very different agency, is the much admired Boase Massimi Pollitt perhaps the definitive domestic creative agency which,

claims it has 10 multinational clients who have chosen this route. Increasingly, talent in the UK is being poured into new bottles, says chairman Robin Wight, and clients are following suit.

The effects on the industry of the flourishing public sector, are thought to be a greater awareness of financial planning and control. It has been argued that agencies by their very nature are not in the profit front line.

The need to maintain pricey premises and equally pricey staff, as well as to finance their own speculative pitches plus the emphasis on clients' interests, all work against that. But perhaps this is changing.

middle-sized and mature, has turned in a very solid performance. It remains to be seen if it can manage strategically as well as it clearly can creatively in the City's view and there is concern in some quarters at what it sees as its need to go abroad for growth. "It strikes some agencies that when they go public they must run their businesses for the benefit of the City," said one commentator.

One of the companies to gain considerably from the lull of public status, say brokers, is Vallin Pollen, the financial and corporate advertising and public relations consultancy which has recently attracted blue-chip clients (BAT, Unigate, Argyll Group) companies which might not have been interested before. It has enjoyed extraordinarily high ratings especially over the last four months even on revised forecasts. Since the placing of its shares in January 1983 it has shown a rise of 166 per cent to 295p in eight months.

An important factor in its success, says the City, is its very specialised niche of financial advertising and PR, a high import of talent and a key constraint to growth may be its ability to attract the right kind of talent (VPs tend to be more labour-intensive than traditional advertising agencies).

Trailblazer Wight Collins, the first ad agency on the Unlisted Securities Market, has impressed the City with its ability to manage creativity of high calibre plus its corporate mindedness and the planning objectives it set itself. It has shown fast growth off a low base and there are still a number of gaps in its portfolio to make growth further afield not an issue for another three or more years.

So what is the City looking for? It is no surprise to learn that it views agencies first and foremost as investment vehicles and potential public companies with a good sense of corporate direction and a sound grasp of financial affairs—the advertising comes in second.

Track record

A sound base is obviously the thing—a healthy track record, even spread of clients and no overdependence on one client (Lowe skirted this problem despite over 50 per cent billings resting with two clients, since one client is well tied-in with the other more than one brand with the agency).

The global advertising thesis, that international advertisers will increasingly align their accounts in agencies with international capabilities—the Saatchi platform and one that has been the dynamic for the American multinationals over the years—continues to find a sympathetic ear in City circles.

"There must be concern among mature agencies about international representation for long-term growth," said one observer. Once agencies reach

CASE HISTORY: INTERNATIONAL WOOL SECRETARIAT

Emphasising a sense of the sensual

ADVERTISING WOOL is not an easy assignment. Your client, the International Wool Secretariat, is one of those multinational agencies operating worldwide and drawing revenue from such competing producers as Australia, New Zealand and Argentina. Only market forces—primarily the competition from man-made fibres—have forced them to co-operate to promote their raw material.

In addition, wool is expensive and has warming rather than stylish associations. Against these odds Davidson Pearce has produced a campaign which is tipped to carry off the big advertising prizes. It has generated an excellent response from the public and has satisfied the client, too.

For years after winning the business Davidson Pearce advertised wool on television using an animated sheep. The commercial stressed the practical advantages of wool rather than its fashionable appeal. Last autumn it was felt that with the funds available, about £1m a year, magazines would give better results than TV, and that wool should have its image lifted.

Now the IWS advertises in the up-market weekly and monthly press, magazines like the Sunday Times and Harpers, with six different advertisements a year for men and six for women, each stretching over two pages. On one side there is a compelling photograph of a model wearing smart, woolen clothes. The women in reflective; the men rather commanding. On the opposite page, taking up very little space, is a cryptic drawing with a short message. For the male ads it is "Beware of the wolf in sheep's clothing" for the female, "See me. Feel me. Hold me. Touch me." And, at the bottom, is the IWS trademark, a skein of wool.

The advertisements are pure soft sell. "We are selling a mood," says Neil Fazackerley, the copywriter. "It is a campaign that communicates with-

UK top ten

Agency	Revenue £m
Saatchi & Saatchi Garland Compton (London and network)	120.1
J. Walter Thompson (London and Manchester)	118.9
D'Arcy-MacManus and Masius	83.3
Ogilvy & Mather	62.8
Dorlands	61.4
McCann-Erickson	55.7
Davidson Pearce	50.6
Allen Brady Marsh	44.5
Leo Burnett	33.2
Young & Rubicam	42.4

Source: MEAL

a certain size, client conflict becomes an issue and growth thereafter tends to be by developing parallel operations on home ground, investment in overseas agencies and/or diversification into related services (sales promotion, direct mail and others).

Whatever the merits and import of the controversial global debate, there is a growing feeling in some industrial quarters that alignment in favour of smaller domestic creative agencies continues to be favoured by clients, many of them international.

New battles

Wight Collins, for instance, claims it has 10 multinational clients who have chosen this route. Increasingly, talent in the UK is being poured into new bottles, says chairman Robin Wight, and clients are following suit.

The effects on the industry of the flourishing public sector, are thought to be a greater awareness of financial planning and control. It has been argued that agencies by their very nature are not in the profit front line.

The need to maintain pricey premises and equally pricey staff, as well as to finance their own speculative pitches plus the emphasis on clients' interests, all work against that. But perhaps this is changing.

A report out this year by accountants Spicer & Pegler, called Advertising Agencies Profitability, A Comparative Study, shows that publicity quoted agencies are among the most profitable in both profits and profit margins. Of the top 10 profit earners, only four had an operating margin of less than 2 per cent while the majority of the agencies investigated operated on less than 1.5 per cent.

In the meantime, the guessing game goes on: who next to go public? Some agencies are known to be considering the move. Names to watch include Legas Delaney, Gold Greenlees Trot, Abbott Mead Vickers, Grandfield Rork Collins, and Lopez, the advertising, marketing and PR group.

B&Q SINGS THE PRAISES OF THE REGIONAL PRESS.

Malcolm Parkinson, Marketing Director of B&Q DIY Stores, penned the lyric of the song in question.

It goes, as they say, something like this.

"The success of a business like ours depends on one simple thing.

"People must know where we are, when we're open, and what we're offering, otherwise we're sunk.

"So, we have always put the bulk of our advertising budget—now more than £9m a year—into local press."

B&Q's success is testimony to the effectiveness of the regional press as a way to get information to your potential customers.

In the last fifteen years of advertising regionally B&Q have seen their turnover grow from £40,000 to £300 million.

"We've just opened our 150th store," says Malcolm Parkinson.

Naturally, B&Q's success story is like music to the ears of the Regional Newspaper Advertising Bureau.

Yet it's far from unique. Our Central Booking system, Computerised Database and Co-Partnership scheme all help see to that.

Give us a call on 01-836 8251. We'll tell you all about the new regional press and just how effective it is.

We sell where your sales are—locally.

REGIONAL NEWSPAPER ADVERTISING BUREAU

GROSVENOR HOUSE, 141 DRURY LANE, LONDON WC2B 5TD. TELEPHONE 01-836 8251

Change
 Gamble
 with risk

Changes at the top on the way

Advertisers
DAVID CHURCHILL

BRITISH TELECOM is becoming one of Britain's biggest advertisers, even without the present media blitz heralding its stock market debut later this year.

BT rose 21 places last year in the league table of Britain's biggest advertisers to move into sixth place with a spend of £24.4m in 1983, according to the figures published by Media Expenditure and Analysis Limited (MEAL).

Most of this advertising went on routine telephone services, stimulating calls, and promoting the international dialling network. With the £7m being spent this year on the privatisation campaign, BT should move even further up the league table during 1984. In 1982, BT spent £10.1m on advertising.

BT used six agencies, according to MEAL. These were: Colman RSCG and Partners; D'Arcy MacManus Masius; Davidson Pearce; Dorland; Geers Gross; and the KMP Partnership. The privatisation campaign is being handled by Dorland.

Of BT's £24.4m media spend last year, just over three quarters, at £18.5m, went on television advertising, while the remaining £5.9m was spent on press advertisements.

BT's sixth place was earned in the league table of top trading companies, which is slightly different from the top ten table of holding companies, since the latter often negotiate group discounts or have group advertising policies.

The difference between the two sets of major advertisers is that while Procter & Gamble is Britain's biggest advertiser in terms of the trading company league table, it is only third in the table of spending by holding companies. The holding company that spends the most on advertising is Unilever.

Procter & Gamble's advertising expenditure in 1983 was £22.9m, compared with £45.7m in 1982 when it was also in the top spot of the trading company league table. The vast bulk—93.7 per cent—of P & G's spending went on television, with only a paltry £708,000 devoted to the press.

This reflects the company's concentration in areas of fast-moving consumer goods with

products such as Ariel, Bold, Daz, and Head and Shoulders which are traditionally most responsive to television advertising.

Mars again came second with expenditure of £33.9m (compared with £27.5m). The proportion spent on television advertising was even greater than P & G's, with 99.7 per cent of Mars' expenditure on television and only £108,000 on press.

The agencies used were Allen Brady and Marsh, D'Arcy MacManus Masius, and Ted Bates and the products included Mars Bar, Bounty, Marathon, and Twix.

Kellogg's last year ousted Imperial Tobacco from third place, moving up from fifth position in the process. Kellogg's spent £28.5m (compared with £24.6m) and, again, most of the money went on television advertising through agencies J. Walter Thompson and Leo Burnett.

Imperial Tobacco's move down the league table is perhaps not altogether surprising given that it operates in an environment where its product advertising attracts such opposition. Imperial spent £26.9m last year, only a marginal increase on 1982 when it spent £26.1m. Unlike the other major advertisers, however, Imperial is forced to spend more on press than television because of the rules governing tobacco advertising.

Banned

This in 1983 it spent some 70 per cent on press advertising and only 30 per cent on television on its cigars and tobacco brands since cigarette advertising itself is banned.

Rowntree Mackintosh moved from sixth to fifth place in 1983, with spending of £36.5m. Pedigree Petfoods, which is part of the Mars group but counted separately in the table of trading companies, moved up two places from ninth to seventh.

Confectionery company Cadbury, however, dropped from fourth place to eighth as a result of a cut in its advertising budget from just over £26m in 1982 to £23.5m last year.

The Electricity Council also slipped from eighth to ninth place, while into the top 10 came Gallaher with a sharply increased expenditure of £21.2m, compared with £14.5m in 1982.

While the top 10 has not

changed unduly, there was greater movement in the next 10 positions. Our west General Foods, Van den Berghs, British Gas, the Co-ops, and Austin Rover.

Into the top 20 have come British Telecom, United Biscuits, Elida Gibbs, Brooke Bond Oxo, and British Rail. Brooke Bond doubled its expenditure in 1983 to nearly £17m, although this was really a return to normal advertising levels after cutting its budget in 1982. Other fast risers include Vauxhall, which rose eight places with a spend up by £5m, and Heinz which increased its advertising budget by £4.7m and went up six places.

The most spectacular of the 19 new entries into the top 100 was the National Westminster Bank, which nearly trebled its advertising to £13.1m and moved to number 26.

Retailers increased their presence in the advertising world: there were 15 leading retailers in the top 100 last year, compared with 11 in 1982. The top two retail spenders were the MFI group and the Co-ops.

There were six major brewers in the top 100 but Harp dropped out to be replaced by Guinness. In 1982, Guinness spent only nominally on advertising while Allen Brady and Marsh took over the account, but last year saw the start of the new advertising campaign with expenditure of £9.5m to take Guinness to 44th position (from 387th).

In the league table for the top ten holding companies, Unilever came top with a total spend of £81.7m. The biggest individual spenders were Lever

BRITAIN'S TOP TEN ADVERTISERS

HOLDING COMPANY	£m	TRADING COMPANY	£m	BRAND	
				(January to December 1983)	£m
1 Unilever	81.7	1 Procter & Gamble	52.9	MFI	12.9
2 Mars	59.4	2 Mars	33.9	Tesco	11.6
3 Procter & Gamble	52.9	3 Kellogg's	28.5	Ariel Automatic	10.8
4 Imperial Group	43.5	4 Imperial Tobacco	26.9	Woolworth & Woolco	10.5
5 Cadbury Schweppes	42.7	5 Rowntree Mackintosh	26.5	National Westminster	10.5
6 HM Government	40.5	6 British Telecom	24.4	Co-op	10.5
7 Allied Lyons	37.7	7 Pedigree Petfoods	23.6	British Airways (passenger)	9.8
8 Electricity Council	29.0	8 Cadbury	23.5	Boots	9.5
9 Kellogg's	28.5	9 Electricity Council	21.7	Guinness	9.5
10 Rowntree Mackintosh	28.4	10 Gallaher	21.2	Currys	8.7

Source: MEAL.

Brothers (with £17.4m) and Elida Gibbs (£16.8m).

The Mars Group came second with £59.4m, with Mars confectionery and Pedigree Petfoods accounting for the bulk of this. P & G, which does not operate any subsidiary trading companies in the UK, came third with its total of £52.9m.

Imperial Group moved from fifth to fourth place with a total spend of £43.5m. While there was some jockeying for position among the other big spenders, only Beecham dropped out of the top ten, to be replaced by Rowntree Mackintosh.

All the league tables of Britain's biggest advertisers are dominated by manufacturers and retailers of consumer goods but trends are emerging which could eventually create some changes at the top.

One major development is the slow move by some of the professions to embrace advertising, now a concept that the Government is forcing them to accept in its willingness to encourage competition among the professions.

Accountants are in the forefront, although it was only at the beginning of this month that the advertising and publicity restrictions governing the profession were lifted.

Some accountancy firms are playing down the significance of the move, although a number of the largest have already appointed agencies. Coopers and Lybrand, for example, has appointed Leagas Delaney, Thomson McLintock with Saatchi and Saatchi, and Deloitte Haskins and Sells with Vellin Pollen.

The new guidelines have been criticised by some within the profession as still being too restrictive. In particular, there are criticisms of the regulation on the size of advertisements, restricted to a quarter page of a newspaper, and the forbidding of direct mailing.

It is likely that once the advertising door has been opened, however, that a further relaxation of the rules may occur. Other professions will be watching developments with interest.

CASE HISTORY: OXO

Domestic version of War and Peace

OXO, OR RATHER J. Walter Thompson its advertising agency for over 25 years, has usually produced memorable advertising. Everyone must remember Katie who aged so gracefully over the 16 years in which she kept her man happy with Oxo-favoured dishes. Then there were the "crumble cameos," those slightly irritating characters rubbing their fingers in anticipation of the meal.

The latest Oxo campaign is equally memorable while marking a dramatic change in tone. Indeed JWT believes it is a precursor of a new type of TV advertising which reflects the reality of being a housewife rather than the glamourised image portrayed for so long in television commercials.

The new advertising began last autumn and was the result of extensive research by the agency talking with women. So far five commercials have been shown and all depict the home: not as a place of jolly banter with heroically smiling mum, lovable dad, and perfect kids but as a battleground.

During the research one housewife described the home as like "war and peace" and JWT believes that it has set its Oxo commercials for the first time in a realistic setting.

Mum is not too glamorous, gets fed up, and actually has a row with dad. He can be a bit of an idiot, although good at heart. The children are as rude and noisy and boorish as they are nice. The commercials show meal situations but Oxo is introduced almost incidentally inside the normal wear and tear of family life. JWT thinks the ad depicting an obvious quarrel between mum and dad must be an



The new reality: disputes at the dinner table

innovation — thankfully a child, helped by Oxo, heals the breach.

Feminists

The commercials go some way towards answering the criticism of feminists that women are always shown at home, doing domestic jobs and coping wonderfully, irrespective of the fact that the nuclear family is a minority institution and that the modern woman is very likely to have a job.

More to the point the commercials seem to work and JWT for one intends to use their effectiveness to persuade other advertisers to dispense with those conventional ads showing one woman abstraining the housekeeping skills of another.

In the past year Brooke Bond Oxo has increased sales of the Oxo-cube by 6 per cent, a great achievement for a product which has been on the market since 1918. In the past year Oxo has sold over

1bn cubes and dominates the £42m cube market with approaching 80 per cent of the business, despite the fact that the competitive Evrill cube sells at a discount. And what is good business for the advertiser is just as welcome for JWT—the account is worth around £5m a year, most of it spent on TV.

There have been a few complaints from the older generation but the commercials have gone down very well with the target audience of young housewives. The commercials stand out in particular from the surrounding unrealistic advertisements, and the cumulative effect ensures a very good recall.

JWT believes that there is a great deal of mileage left in this format, and attributes at least part of the improved performance of Oxo sales in the past year to viewers' appreciation of advertising which is true to life rather than an idealised dream.

Antony Thorncroft

You'd be younger and richer if you read the Daily Mail.



In the future, concentrating more on the TV heart than the head

CASE HISTORY: AUDI

Gamble that paid off with rising sales

EVERY AGENCY wants to advertise a car. When Bartle Bogle Hegarty picked up the Audi business just under two years ago it was cause for a double celebration since it was their first account. Now 18 months after the advertising started Audi will agree that the gamble in choosing a new agency has paid off.

Sales were up 5 per cent in the first year and, more to the point, it was the expensive Audi models that were selling best. Although the summer manufacturing strike in Germany, and the UK dock strikes, have delayed progress this year the most recent industry market research by Louis Harris, shows that Audi has gained in public approval in every measurable category, edging ahead of Rover and with Volvo now in its sights.

First task

When Bartle Bogle Hegarty took on the business Audi had around 1.5 per cent of the car market. As a marque it was seen as bland, stolid, middle-of-the-road, and lacking any tradition. The agency's first task was to give Audi a clear image and to get across to the unsuspecting public that this was a German-made car with pedigree stretching back to 1909, with a history of innovative engineering.

Television was used to

appeal to the potential buyers' heart, and the press and posters to reach the head. In the past, Audi had only used television to launch new models. Now a third of the £2.5m a year budget goes into a sustaining TV campaign which gets across the message that Audi is German, that it is technically advanced, but that it is also able to laugh at itself.

There is a joke in the pay off to the glamorous commercial as well as the slogan "Vorsprung durch Technik," which roughly translates as "forward with technology" and should leave the viewer with no doubt about Audi's origins.

Bartle Bogle and Hegarty does not believe that consumers choose a certain make of car for just one reason: there is a combination of factors and the press ads, which are run mainly in the Sunday supplements, cover a range of advantages, stressing the innovation angle but also playing up Audi's performance in car rallies, and the increasingly wide range of Audi models on the market.

Just concentrating on innovation can give a car a cold, white-coated, technical image so the fairly loquacious press advertisements were balanced by the emotional appeal of the television commercials.

One innovation in advertising that worked was to take a double-page colour spread (in the Financial Times)

showing the car but carrying no brand name. The advertisement was aimed at the £17,000 car buyer who usually drove a Jaguar or Mercedes.

The next day the advertisement was repeated carrying the Audi insignia and a coupon. It is probably one of the most expensive objects ever sold by an advertising agency but 800 readers responded to the offer of a video presentation and the follow-up has encouraged the agency to believe that car advertising can be more action-orientated than it has in the past.

Car as hero

Where most television car advertising seems sold on a "man, car, open-road stereotype," with symphonic accompaniment, Audi is telling a story with the car as a hero. It gets across the technical achievements but the pay-off line "If you want to be on the beach before the Germans you had better buy an Audi 100" makes the claim more credible because it suggests that even a serious race like the Germans can laugh at itself.

The two commercials have researched very well and in the future Audi could be concentrating more on the TV heart than on the head—press advertisements for cars, however cleverly produced, are read more by the committed than by the floating buyer.

Antony Thorncroft

The Daily Mail is read by more affluent young people than any other national daily. So if you want to move products fast the Daily Mail is the paper with the talent to sell.

Source: NRS/MTL, January 84 based on top income under 45 heads of household, chief wage earners.

Advertising 4

Talent not clout counts

IT'S BEEN a year of few surprises on the whole for advertising agencies. Any industry turbulence has tended to be of a local rather than the general variety—more a shaking of branches than a tugging of roots.

Individual agency fortunes continue waxing and waning but happily there have been few "demises" to report.

Among the "marriages" the latest has been Valin Pullen's first acquisition last week of corporate communications consultancy McAroy Wreford. During the year Dorland absorbed Michael Bungey, the Crawford Halls provincial network, and the Crawford Halls network acquired Harrison Cowley to make it a £85m operation and the London and Provincial poster group was taken over by London & Continental Advertising (which includes the poster arm Summli).

Listings are always in the air, of course, and Saatchi, ever on the acquisition trail, is expected to move in again shortly.

If anyone is doing well among the largest agencies it could be said to be Dorlands which, boasting a 60 per cent increase in turnover, and now billing around £90m, must be nearly the largest agency in London.

£20m billing

Of the others, Ogilvy & Mather has put on £20m billing so far. Davidson Pearce has grown 225 per cent in three years with £84m billing predicted by end of this year. J. Walter Thompson gained from its major coup of British Rail, while Saatchi grows on all fronts—domestically and internationally—organically and with new business gains. Boase Massimi Pollitt, which has been growing at around three times the industry average, had a 46 per cent turnover increase in the first half of this year.

Doyle Dane Bernbach, flush with its recent Marlboro win, has been quietly knitting together its European network and exploring diversification opportunities in UK, and McCann shows signs of rejuvenation while Burdett's has shown good growth.

It's been a sticky year for Young & Rubicam after a string of losses, though as one observer put it "they are too good to be down for long," and Allen Harty March comes under more pressure having lost British Rail on top of Woolworth (last year) and now facing a review

of its £7m Guinness accounts.

Meanwhile, the irreverent generation of young aggressive agencies, spawned at the start of the eighties, are gaining in muscle. The ebullient Robin Wight describes the new agencies as striking at the "soft underbelly" of the sleeper giants. He says of the shifting fashions, that "the cream is being poured into new bottles and the milk doesn't like it."

Compact portfolio

Gold Greenless Trott, for instance, surprised itself by doubling its billings this year to £28m. The smaller but high-profiled Bartie Bogle Hegarty upped its turnover from £11m to £16m this year, maintaining a compact portfolio while on a grander scale, Grandfield Rock Collins continued to broaden its base, by adding two specialist communications companies to the public relations and sales promotion companies it already owned. Billings for the ad agency are expected to be up from £30m to £31m by end of this year.

Media Independents, agencies specialising in buying space and time, continue to make strong inroads in the proportion of the total expenditure they handle—arguably as much as 15 per cent.

The overall trend, however, remains according to Advertising Association's Advertising Statistics Yearbook, in favour of large agencies (as defined by the top 20 MEAL table) which handled 47 per cent of MEAL expenditure in the first quarter of 1984 compared with 43 per cent in 1983.

Industry opinion continues to polarise over two of the main issues of the day. One is the complex and much-vaunted global advertising debate. The other—more recently fashionable—is the centralised media buying argument whereby clients lodge this spending power for all their brands with just one of their agencies. "There's nothing magical about this," says one leading media buyer. "But it only makes sense if a client goes to the best buyers around not those who offer the cheapest rates. In the end it's talent not clout that counts."

Other issues concentrating the minds of media folk are the push for increased

minutage on television and the prospect of overnight television ratings becoming available, both of which could considerably sharpen the media function.

The perennial battle for independence among British agencies has shown itself in various forms lately. There have been the negotiations by Reeves Robertshaw Needham to buy back equity held by American partner Needham Harper and Steers; likewise Abbott Mead Vickers with Scall McCabe Sloves in New York.

The move to go public, which in many sectors is regarded as loss of independence, is in the agency business according to Martin Boase of Boase Massimi Pollitt, rather the reverse—it offers independence. London agencies are learning that it is possible to make more money by the "public" route and in that the constraints of the stock market are no more restrictive than ties to an overseas parent. Investors are, after all, more interested in profits than the way the business is run.

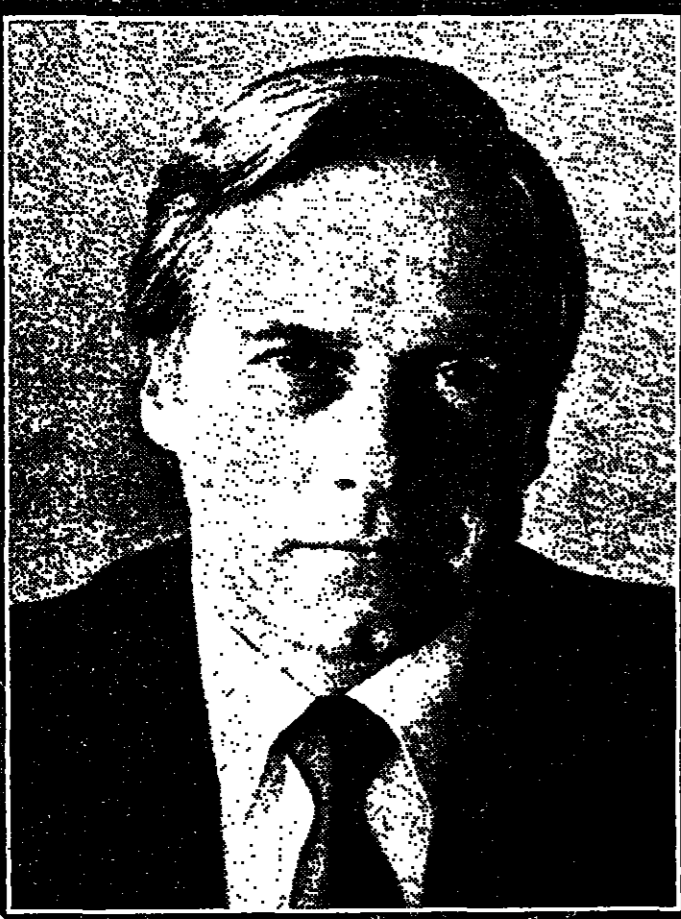
The Advertising and Marketing Services Sector of the Stock Market has performed excellently by any standards. In the last nine months, the sector has shown an appreciation of market capitalisation by over 24 per cent, according to Neil Blackley, sector analyst at James Capel.

Rapid results

On the creative front, agencies report even more premium on "the big idea." With clients' margins continually under pressure, this is passed on to agencies and there is a need, says Robin Wight, for ads to deliver rapid results, no longer dwelling in the slow development of brands. "As markets have got tougher, advertising has had to get harder," he suggests.

Although there is concern in some quarters about divining new talent, there are signs of exciting fresh blood emerging from some of the younger agencies in particular. "Whereas 10 years ago, this sort of talent just was not there," says John Hegarty of Bartie Bogle Hegarty, "there are now some 15 or 20 youngsters a year who are showing great promise."

Feona McEwan



"Of course I'm sure, I read it in Business Week International!"

Björn Svedberg
President and Chief Executive Officer
L.M. Ericsson Telephone Company
Stockholm, Sweden

If you have any doubts about the growing internationalization of business, ask Björn Svedberg. He's the chief executive of L.M. Ericsson, the fastest-growing information processing company in Europe. And a world leader in digital telephone switching.

His company does business in such far-flung markets as Britain, the U.S., Saudi Arabia, the Republic of Korea and Thailand.

That's why he and thousands of other top executives worldwide use Business Week International as a source of accurate information, expert interpretation and unique insight on the fast-changing world of international business.

And why both our readers and our advertisers agree that one authoritative voice stands out clearly above the din of worldwide business news.

Business Week International.

BusinessWeek
THE VOICE OF AUTHORITY

INTERNATIONAL BusinessWeek

A NEW ERA FOR MANAGEMENT

THE SHRINKING OF MIDDLE MANAGEMENT

COMPUTER-RUN OFFICES AND FACTORIES

INTEREST RATES STAY HIGH

REGIES-TOSHIBA-PONDEROSA

On a winning streak as users face competitive environment

Television

RAY SNODDY

THE BOOM in television advertising continues unabated despite, or more probably because of, the recession. Net revenue which last year grew by 18 per cent to £224m is on target to pull in £350m this year.

In June the growth was 30 per cent and some of the optimists in the ITV companies have not even yet totally lost faith that a good autumn could see the total brushing £1bn for the first time.

The growth has come from traditional ITV users forced to keep spending in the intensely competitive environment created by the recession supplemented by a stream of new companies and sectors coming to the medium for the first time.

The most marked change has been the continued push into television advertising by banks, building societies and computer and high technology companies. The battle to persuade businessmen to join the electronic revolution through computers, office automation has been to a considerable extent fought out on the television screen.

Royal spent nearly £750,000 to improve its corporate image with the "copy line" the biggest company you've never heard of.

One of the biggest campaigns of the year is British Telecom's attempt to persuade its customers and shareholders in the newly privatised company.

In return, the ITV companies, benefiting from the complementary strengths of ITV and Channel 4 have been consistently winning the ratings war with the BBC.

Discounting occasional peaks and troughs the Independent sector has settled into a routine 55 per cent share of the total audience. In recent weeks it has been as high as 58 per cent. The combination of ratings and buoyant advertising revenue has meant healthy profits for ITV companies.

Thames Television, the largest ITV company, earlier this summer became the first ITV company to break through the £10m profit barrier when it announced pre-tax profits of £13.2m.

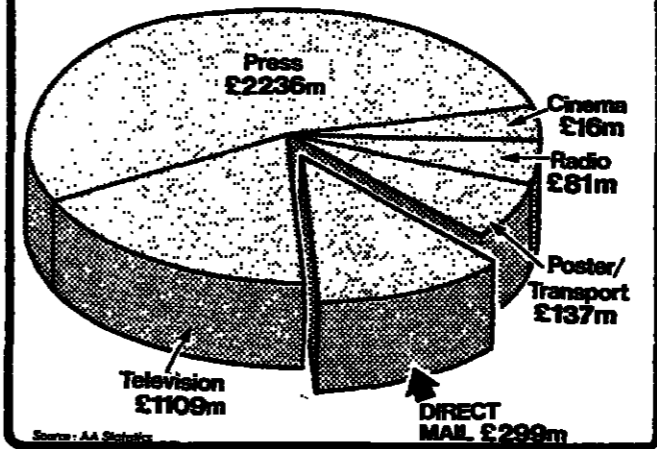
ITV's winning streak continued last month when after two years the dispute between Equity, the actors' union and the Institute of Practitioners in Advertising was finally settled.

The dispute which centred on how much actors should be paid for repeated commercials shown before the smaller audiences of Channel 4 and TV-am had few devastating effects.

Some campaigns were kept off the commercial breakfast channel by advertisers reluctant to pay the full ITV repeat rate, at least to begin with, an uncertain audience.

After initial blanks on the

UK Advertising Expenditure '83



new media with its advertising. Recently Sky, which is available to 1.7m homes in the UK, Holland, Norway and Switzerland, doubled its advertising rates to £500 for a 30-second slot. Advertising includes Philips and Procter & Gamble. Many of the advertisers are, however, researching the effective of Pan-European advertising and Sky is still a long way from breaking even.

The other clear prospect for advertising on cable, at least in the early stages, will be local classified advertising. In addition companies like W. H. Smith is planning what amounts to an advertising channel where the public can call up videos on the products of their choice.

The future of advertising on direct broadcasting by satellite (DBS)—and indeed the DBS project itself—is still problematical. There will be no final agreement whether there should be advertisements at all on some or all of the three channels of the additional television from space.

Ironically the EBU appears to be more keen on advertising on DBS than ITV. The BBC has not ruled out what could be a useful form of raising additional revenue for the £600m project.

Right of veto

The ITV companies by contrast are asking for a right of veto on the carrying of advertisements. One of the ITV companies' reasons for participating so far in the DBS project is to protect their terrestrial advertising monopoly and would not necessarily want DBS to breach that monopoly. They fear again that advertising from space might "soften" the rates they can charge for their traditional advertising.

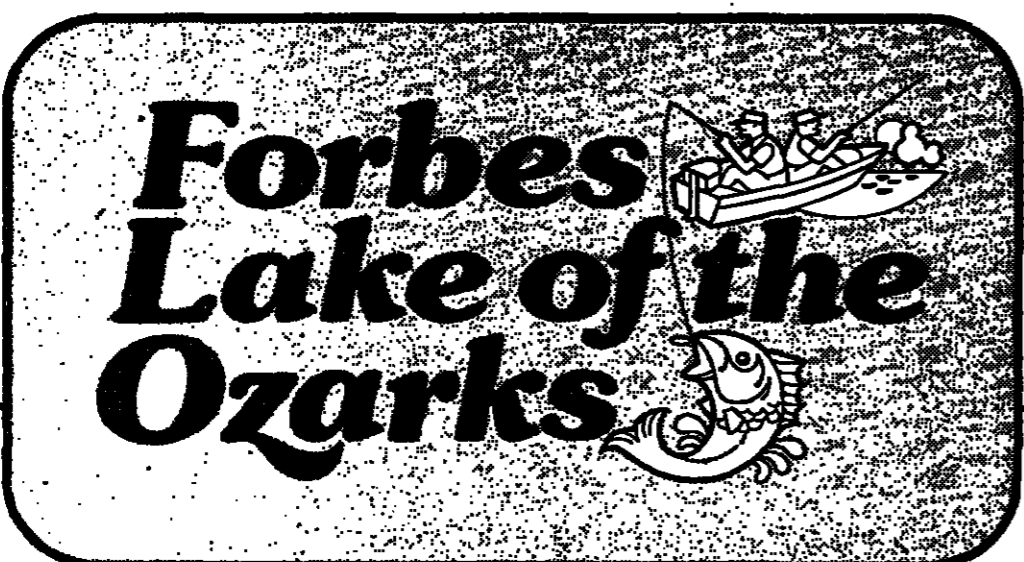
Other recent innovations—video recorders which have a penetration of more than 30 per cent in the UK and remote control devices—pose a serious threat to the effectiveness of advertising.

Viewers can use their VCRs to ensure they do not see the advertising on recorded television programmes and "zapping" or channel hopping has become so bad in North America that there were even suggestions at the Banff International Television Festival in Canada this year that people should be paid to watch advertising. But the VCRs also carry considerable promise for advertisers as well.

Video cassettes can be used to target specific audiences. The technique has, for instance, been used to sell British Airways Sovereign Holidays. Potential customers could obtain for the cost of a blank tape a holiday promotional video shot by Video Arts.

When the message has been absorbed the customer has a tape to use for their own recordings.

It is the first sign that video recorders which allow viewers to become their own schedulers of programmes will increasingly be able to do the same for the advertisements they are interested in.



Forbes Lake of the Ozarks

OUR LAKELAND PARADISE AWAITS YOU

Your own vacation land on the fabulous Lake of the Ozarks in Central Missouri. Right in the heartland of America. Away from cities, noise, pollution and the rat-race of the workaday world. We call it Forbes Lake of the Ozarks... about 12,800 acres of scenic paradise. Not for everybody, but maybe for you.

The Ozarks region, which dominates most of southern Missouri, has long been lost in the legends of the Osage Indians. Now that the magnificent Truman Lake has been completed, it's merely a matter of time before the beauty of this spectacular recreational area attracts vacationers and settlers from every corner of the continent.

If yours is a family of water-sports lovers—swimming, boating, fishing, water-sliding—it's hard to imagine a more perfect setting for you. Forbes Lake of the Ozarks is nestled at the headwaters of the big Lake. Here it almost kisses Truman Lake on the west, then winds eastward through stands of hickory and oak for over 90 miles to the bustling hub of the summer resort area at Bagnell Dam.

Forbes Inc., publishers of Forbes Magazine, through its subsidiary, Sangre de Cristo Ranches Inc., is offering the opportunity of a lifetime for you to acquire one or more acres of our choice Missouri lakeland among the breathtaking "hills 'n' hollows" country of the Lake of the Ozarks.

Forbes' private park is the ideal place to build a second home... that special place where you may now or one day choose to retire. Here among the friendly, down-home folks who have made Missouri famous for its hospitality. These are salt-of-the-earth people who are pleased to welcome good neighbors to their easygoing way of life.

There's no better time than right now to find out if Forbes Lake of the Ozarks is the place for you. All our homesites, including lake front and lake view, will be a minimum size of one acre—ranging to over three acres. Cash prices start at \$6,000.* One or more acres of this incredibly beautiful lakeland can be yours for the modest payment of \$60 per month, with easy credit terms available.

For complete information, including pictures, maps and full details on our liberal money-back and exchange privileges, please fill in the coupon and mail to: Forbes Europe Inc., P.O. Box 86, London SW11 3UT England.

*Prices subject to change without notice.

Forbes Europe Inc.
P.O. Box 86, London SW11 3UT England

Without obligation, please send me more information on Forbes Lake of the Ozarks.

PLEASE PRINT Y184

Name _____

Address _____

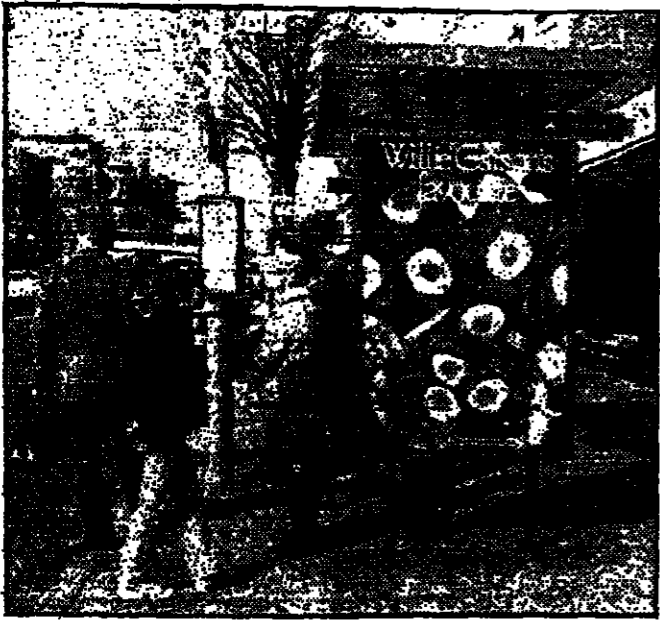
City/State/Zip _____

Telephone _____

Preference: \$6,000 \$7,500 Higher

Obtain the Property Report required by Federal law and read it before signing anything. No Federal agency has judged the merits or value, if any, of the property. Equal Credit and Housing Opportunity.

Better times ahead for 'Cinderella' medium



Poster advertising jockeying for position at the bus stop.

Downturn seen as hiccup in continued expansion

Direct mail

DAVID CHURCHILL

DIRECT MAIL is the third largest advertising medium after television and the Press and has seen some remarkable growth in recent years except for last year.

Expenditure on direct mail in 1983, according to the Advertising Association figures, was £296m, a significant drop on the level of £341m reached in 1982. Does this mean that the direct mail boom is over? Far from it according to industry experts. The drop in revenue through direct mail last year was almost entirely due to a fall in business from the mail order companies which accounted for a quarter of all direct mail business in 1982.

Other sectors of the direct mail business have been growing rapidly but they tend to use less costly items than those sent by mail order companies, thus causing a decline in value figures. Given the expected recovery in the mail order sector this year, the official figures for direct mail for 1984 should be more encouraging.

Confidence

Confidence in the growth of direct mail—defined as advertising which is personally addressed and sent to the prospective customer through the post—is shown by the Post Office and other direct mail companies who put up extra funding this summer to expand the activities of the Direct Mail Sales Bureau.

The bureau was set up some two years ago to promote direct mail as an advertising medium. However, it also offers a service for companies by handling a direct mail campaign. Over 100 such jobs were carried out in the bureau's first year of operation.

The Post Office, not surprisingly, has been a major beneficiary of the upsurge in direct mail in recent years, earning an estimated £200m in postal revenue. The number of direct mail shots more than doubled between 1975 and 1982 to over 1.1bn, with a big switch in the total towards consumer mailings and away from business.

Equal split

In 1975, for example, the direct mail shots were equally split between consumers and business. Now over 70 per cent goes on consumer marketing—although this still works out at only 0.7 direct mail shots being sent to households each week.

The Post Office is especially keen to woo new customers to direct mail and has a number of special schemes available to encourage companies to use the post as a marketing medium.

For example, companies which have not used direct mail before may be eligible for free postage on a proportion of their first mailshot, depending on the size of the overall mailing. Similarly, household users can take advantage of a sliding discount scale according to how much they use direct mail.

The Post Office is also interested in exploiting new markets overseas and to enable time-users to test the advantages of direct mail, it has a free postage scheme available. Companies who have used direct mail within the UK can still qualify for this, if they have not sent mail shots outside the UK.

The growth in direct mail has spawned a number of associated sectors. The list business, for example, is a rapidly growing area estimated to be worth at least £12m a year on its own.

A reasonable list can be worth some £30,000 a year in extra income for the list owner, who gives information every time a coupon is clipped from a magazine or newspaper or a name and address written on the back of a cheque.

The list business is structured

so that the list owner and client are often brought together with the aid of a list broker. The broker advises, searches and negotiates for a list and handles the administration. In return, he takes a percentage of the list price from the owners' fee, often 20 per cent.

One criticism of the list broking business is the high level of fees charged for lists in comparison with the costs of lists in the U.S. where the business is much larger and more established. The brokers respond by pointing out that computerisation of lists was achieved much earlier in the U.S. and, since the market is much larger, the economies of scale are therefore much greater.

To help tackle some of these problems, however, and to improve the list brokers' image, the British List Brokers Association has been formed with the aid of many of the major brokers in the business.

Image problem

Direct mail overall, however, also has something of an image problem since some people resent receiving what they term "junk mail". Over the past year or so, there have been two main developments in an attempt to "clean-up" the image of direct mail.

The first development was the establishment of the mailing preference scheme, set up by the major industry trade associations with the support of the Post Office. This scheme enables consumers who find unsolicited mail an intrusion to "opt-out" of direct mail shots.

The second is that consumers actually have to take the positive step of obtaining an application form to have their name entered into the service. Over 15,000 people have asked to have their names taken off lists—although more than 1,000 have also asked to receive more mail shots.

The other key development has been the setting up of the Direct Mail Services Standards Board, an independent body with the financial backing of the Post Office.

The board has two main functions. Firstly, from June last year it started a recognition scheme for direct mail agencies. To qualify, the agency must satisfy the board that it complies with the codes of the Advertising Standards Authority and provide services only to clients who subscribe to that code and contribute to the levy imposed by the ASA board of finance. Direct mail agencies are then able to use the board's symbol on their literature.

The test does not end there, recognised agencies are then required to make annual submissions of their trading accounts for the previous year and the board can withdraw recognised status if it finds the agency does not come up to standard.

Quality for refund

The "carrot" for agencies which become recognised is that they qualify for a refund of about 1 per cent on their annual postal bills for mail shots, a refund provided by the Post Office.

The direct mail sector, however, still remains in its infancy. Mr Christian Brann, the guru of direct marketing, believes that many British companies do not pay sufficient attention to the complexities of direct mail.

"It suffers from the fact that it can be practised by almost anyone, apparently without any form of training or experience," he says. "The need for expert writing, design and production in direct mail is not as obvious as it is in display selling or in the production of television commercials."

"As a result, direct marketing standards are often poor and the industry's reputation suffers." Even so, Mr Brann remains convinced that the future for direct mail can only continue to grow as its cost effectiveness becomes more recognised.

Posters

DAVID CHURCHILL

BRITAIN'S POSTER industry is optimistic that the outlook for outdoor advertising can only get better next year, especially when a new site classification and audience measurement system is introduced.

This, hopefully, will enhance the credibility of posters as an advertising medium, a credibility that in recent years has been strained by recession as some contractors have traded down.

Poster (including transport) advertising last year totalled £137m or some 3.8 per cent of total advertising spend. However, this continues the decline of recent years—in 1979 it accounted for about 4.4 per cent of the total—which has put the sector under severe pressure.

This pressure has earlier this year seen London and Continental Advertising carry out a takeover of the much larger London and Provincial Poster Group, as well as Independent Poster Sales—an umbrella organisation for small outdoor contractors—going into voluntary liquidation.

Outdoor contractors can blame all sorts of reasons for the poor time posters have had in recent years, but most would

probably agree that at its heart lies poor marketing of the product with advertisers and their agencies who have become disenchanted with posters in comparison with the more measurable television and Press mediums.

This problem has its roots in the complex structure of the industry and the way it has developed over the past couple of decades.

Poster contractors have traditionally been small, family-run businesses, with control over a couple of sites—on a local garage, for example—or with sites in a whole town or county, rather than nationally.

Reduced numbers

In the 1960s, there were an estimated 700 or so such contractors, but rationalisation since then has reduced the numbers to probably less than 50 companies responsible for the 180,000 poster sites throughout the UK.

The problem faced by advertising agencies in choosing posters as a medium, therefore, was simply that there was scant chance of getting together the right sort of site coverage to meet the advertisers' needs.

The solution adopted was the formation of the British Posters consortium in the early 1970s, formed to meet the demand for a more balanced selection of sites that the poster contractors could provide themselves.

acted only as marketing consortium for sites owned by the members. The consortium of 10 contractors had about a third of the market, as measured by the number of available poster panels, but a couple of members also had significant stakes in the rest of the market. This meant that members of the consortium controlled about three-quarters of the available poster panels in the UK.

This attracted the attention of the Monopolies and Mergers Commission which eventually ruled that it was in the public interest for the consortium to be disbanded as from the spring of 1982.

The ensuing confusion in the market, however, could not have helped advertisers or their agencies gain confidence in using posters as a medium in preference to other media. The problem of replacing British Posters was made worse by the Office of Fair Trading seeking to ensure that no similar grouping of contractors emerged.

More O'Ferrall, one of the leading contractors, now believes that "with hindsight it can now be seen that the demise of British Posters effected a healthy shake-up." It believes that outdoor contractors were forced to study their sales approach, to evaluate their role in the media mix, and how best to satisfy the aspirations of advertisers and their agencies.

far more clear-sighted and effective understanding of the role of outdoor advertising," it adds.

More O'Ferrall has concentrated on developing quality "super-sites" but also has a number of specialist outdoor displays. These include the clock tower on the flyover on the Great West Road in Brentford which is passed by 80,000 vehicles a day.

In addition, More O'Ferrall has moved into airport advertising since the latter half of 1982 when they secured the contract for the sale of all advertising at the seven airports owned and managed by the British Airports Authority.

One of the main elements of More O'Ferrall's strategy has been to market airport advertising to a wider range of clients, especially major overseas advertisers and agencies.

However, More O'Ferrall needed to professionalise the marketing of the medium by, for example, introducing a standard range of internal light boxes (such as those next to escalators) and a simplified rate structure.

A specialist sales team which has used audio-visual presentations backed up by walking clients through the airports has been very effective, says More O'Ferrall.

London and Provincial puts it as one of the leaders along with More O'Ferrall and Mills and Allen—could help revitalise the medium's appeal for advertisers and agencies.

Mr John Gofar, London and Provincial's chairman, has suggested that the poster market has become something of "a sleepy green giant" which is ready for a shake-up.

London and Provincial is a relative newcomer to the poster business, having only formed a poster operation in 1982. Previously it had specialised in marketing hotel showcases and publishing guides and in-house magazines for hotel groups.

Extensive portfolio

Its growth since then has been rapid. In September 1983, it formed a construction subsidiary to carry out construction of poster sites; in July 1983 it agreed with London Transport to develop London Transport's extensive portfolio of roadside advertising sites in the GLC area; and in October 1983 it acquired Newey Signs, which has interests in the Bristol area and South Wales.

However, the big leap forward was earlier this year when it stole a march on its more established rivals to take over the ailing giant, London and Provincial, a company more than four times its size and one of the oldest in the business.

London and Provincial now control about a fifth of the country's poster sites, which puts it close to Mills and Allen, an international group with financial and insurance backing as well as advertising interests.

London Transport Advertising is another major force in the poster market, with about 10 per cent of the national market through its bus and tube sites, and about 40 per cent of the total London market. It is able to give firm figures on its audience, unlike other poster contractors, because of the strict monitoring of underground passengers.

Some 13.5m travellers use the tube each year, each one waiting on average three to five minutes for a train and standing just 12 feet away from posters.

The way ahead for the poster industry is clearly through better audience measurement. This is the aim of the site classification and audience measurement study which will grade and classify every site in the UK and should be completed early next year.

However, one issue remains the growing environmental lobby. Last summer, Mr Patrick Jenkin, the Environment Secretary, announced a review of the regulations governing outdoor advertising. His intention is to develop a more efficient, effective and simplified system of control to ensure that poster sites do not become eyesores.

DO SOME ADVERTISERS GIVE YOU TOO MANY FACTS AND TOO LITTLE INFORMATION?

It is not difficult to find yourself blinded by science.

Some advertisers are so wrapped up in their own jargon they fail to realise that to most people it's nothing more than mumbo jumbo.

But how can you be sure the facts and figures you read are accurate? And how can you tell if an over-abundance of them is not just a whitewash to conceal the truth.

SORTING OUT THE WHEAT FROM THE CHAFF

The answers lie in a book of rules called The British Code of Advertising Practice.

It is our job as The Advertising Standards Authority to administer these rules.

Where through lack of specialist knowledge the public could be led astray the rules are detailed and specific.

Financial advertising is a good example. In essence the rules state advertisements must take into account that the complexities of finance may well be beyond the people to whom the offer appeals.

An investment ad inviting direct response has to include a great deal of explanatory wording.

For instance, past growth of '500% in 5 years' would have to be qualified by the exact five years to which it referred.

And all investment ads have to carry wording to the effect that the value of investments and the income from them, if quoted, can go down as well as up.

WHEN ONE AND ONE MAKES SIX

In protecting the public from being misled we are often accused of being pernicious.

We once received a complaint that a car with a 1442cc engine had been advertised as a '1.5'.

People 'in the know' apparently accept this as normal. But our complainant pointed out that his employer's mileage allowance for a '1.5' was for engines over 1451cc.

What meant little to the car trade meant a lot to him, and we were pleased that the advertiser amended the ad to include the exact engine size in the text.

READING BETWEEN THE LINES

It's not enough for a building society to promise 'worth 13.93% to basic rate income tax payers' when the actual interest rate can fluctuate. This must be made clear.

A hi-fi manufacturer should not merely advertise that his equipment develops a certain number of watts.

Since there are several different ways of measuring sound output, he should state which method he used and give the reader a fair basis for comparison.

And as for computers it is not on to advertise what a piece of equipment will do and

So we encourage the public to help by telling us about inaccuracies we may not have spotted. Last year over 7,500 people wrote to us.

Every complaint is considered and if necessary submitted to our experts before we make a ruling.

WHAT WE DO TO THOSE WHO PRACTISE TO DECEIVE

If we decide there has been a breach of any rules we ask the advertiser to amend the advertisement.

If he cannot, or refuses, we ask him to withdraw it completely. Nearly all agree without further argument.

In any case we inform the publishers, who will not knowingly accept any advertisement which we have decided contravenes the Code.

If the advertiser refuses to withdraw the advertisement he will find it hard if not impossible to have it published.

CAN ADVERTISERS RUN RINGS ROUND US?

The ASA was not created by law and has no legal powers.

Not unnaturally some people are sceptical about its effectiveness.

In fact the ASA was set up by the advertising business to make sure the system of self-control genuinely worked in the public interest.

For this to be credible the ASA has to be totally independent of the

business. Neither the chairman nor the majority of his council members is allowed to have any involvement in advertising.

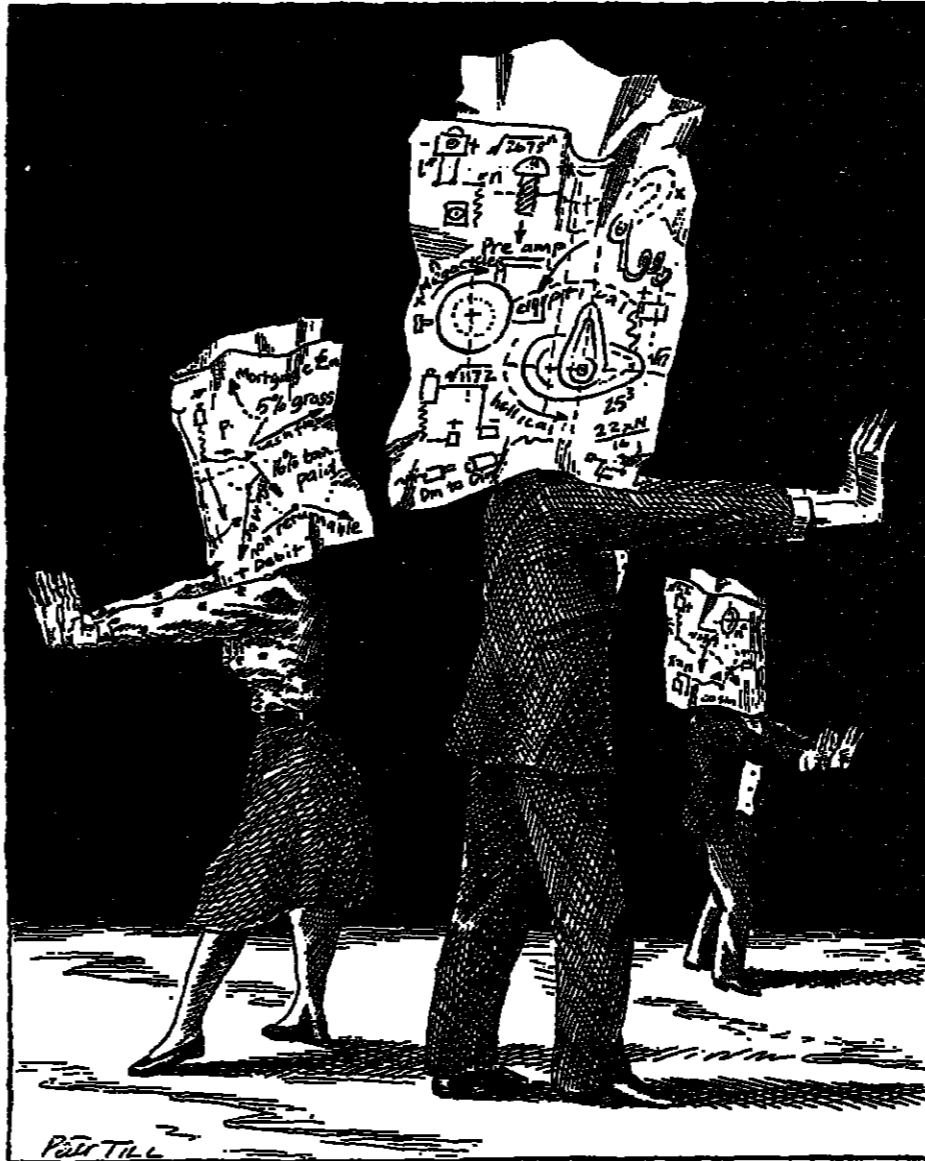
Though administrative costs are met by a levy on the business, no advertiser has any influence over ASA decisions.

Advertisers as a whole accept it is as much in their interests as the public's to keep on the right side of the rules.

If you would like to know more about the ASA and the rules it seeks to enforce you can write to us at the address below for an abridged copy of the Code

The Advertising Standards Authority
If an advertisement is wrong, we're here to put it right.

ASA Ltd, Dept. F, Brook House,
Torrington Place, London WC1E 7HN.



Advertising 6

Overseas markets are in a healthy position as the world recession has affected advertising much less than other industries

Creativity blossoms once more on Madison Avenue

United States

FRANK LIPSUS

THE AMERICAN advertising industry is riding high. After a 12 per cent rise in television advertising revenue to \$16.1bn in 1983, the networks enjoyed an even bigger first quarter of 1984 with a 17 per cent revenue jump to \$3.5bn. The increase is particularly noticeable after the Olympics stimulated sales in 1983, along with America's consumer spending surge and corporate profit increases.

More commercials have a direct impact on agencies' results, with the largest agency, Young & Rubicam, for instance, spending \$986m, or 57 per cent of its clients' budgets, on TV. As a result, the advertising industry saw more than 50 agencies with gross income of at least \$15m in 1983 and industry-wide gross income of more than \$61bn.

1982 to \$227m in 1983, as did General Mills, up to \$215m from \$201m. General Foods, which makes such well-known products as Jell-O, Maxwell House coffee and Gaines dog food, complained at the loss of commercial watchers because of VCRs. Now in 10 per cent of American homes with hardware sales rising by 70 per cent a year, VCRs are costing General Foods, it reckons, \$1m of its advertising spending a year.

Largest spender

The concern is being met by some advertisers by increasing their buys. By far the largest network spender, Procter & Gamble, increased its budget from \$577m to \$598m in 1983, reflecting another source of the boom of 1983 — new products. P&G spent \$100m on one new product alone, Citrus Hill Juice.

also hit the frozen food market, cheese, bread and other products where once dominant brands are being challenged. Increasing competitiveness has stimulated not only spending but also agencies' creativity. Music, computer graphics and highly stylized visuals are fighting the fear of consumer "burnout" from more commercials. An American commercial, "1984" for Apple Computers (which cost \$400,000 to make and \$600,000 in airtime for its single showing during professional football's Super Bowl in January), won the Grand Prix at the Advertising Film Festival this year at Cannes.

Mr Don White, executive creative director at McCann Erickson London and a judge at Cannes, commented: "When America entered its depression it veered more and more towards the hard sell and creativity was almost banned. This year we saw what America can really do."

The U.S. also won seven Gold Lions and seven Silver Lions. Far from a hard sell, a number of the winners hardly showed their products, like the patriotic themes of Olympic campaigns for the beer giant Anheuser-Busch and Seven Eleven food shops.

New media have also stimulated creativity. A number of agencies are now producing rock music videos for MTV: Music Television, having started with two-minute spot commercials for cable TV. In print, House and Garden confirmed the trend toward thick-paper, high-profile magazines by imitating Architectural Digest and going upmarket, opening a new outlet for high-expense, high-living ads. Even in newspapers, USA Today encourages more striking ads with its full-colour pages in a new national daily.

The Federal Trade Commission helped the advertising community this year with its decision to eliminate close supervision of claims made in commercials.

The chairman of the FTC, Mr James C. Miller, admitted to wanting to save advertisers money in his comment on the policy change: "The ad substantiation programme consumes public and private resources. Such consideration—and spending—have given Madison Avenue much to cheer in 1984."

Advertising expenditure forecasts

In 10 countries at constant 1982 prices in national currencies

Table with columns for countries (Austria, Belgium, France, Germany, Greece, Italy, Netherlands, Spain, Switzerland, UK) and years (1977-1987) showing advertising expenditure in millions.

All data shown is in millions (ie the 1982 figure shown for Austria represents 4,969m Austrian schillings) except that for Italy which represents thousand million lire.

Boom is set to continue

Europe

MICHAEL WATERSON

THE EUROPEAN advertising industry, viewed as a whole, is in a healthy condition. The recession in overall economic activity which affected all European countries in 1981-82 appears to have affected the advertising industry much less than in many other industries. The advertising industry has also weathered the recession better than it did in the previous recession of 1974-75.

cases for which provisional data is available. The latest calculations suggest that even conservative estimates of overall advertising industry growth in Europe between 1982 and 1987 are in the 15 per cent to 20 per cent range. Optimistic estimates might look up to double this expenditure increase.

Another reason is almost certainly to be found in the nature of the last recession, which in many countries was focused much more closely on the old-established primary, intermediate goods, capital goods and engineering-based industries such as mining, steelmaking, and shipbuilding rather than on the consumer goods industries where advertising money is mainly spent.

the extraordinary rapid rate of technological change. New technologies are permeating both print and broadcast media and facilitating change to a degree which is wholly unexpected in the advertising world. The signs are that the various new technologies will not start to make a big impact on the "traditional" media until the end of the decade. Cables cannot and will not cover Europe overnight, and households will not all be equipped with satellite signal reception dishes by the end of the year. Even if both these eventualities did happen far quicker than expected, the chances are that the conventional media would continue to attract the vast bulk of revenues they attract at present in any case, due to the manifold problems, political and otherwise, that have still to be resolved in Europe, and to the reluctance of advertisers to change their spending patterns (if American experience is anything to go by).

Far more significant, in the immediate future, are changes likely to stem from the gradual de-regulation of terrestrial TV stations already broadcasting. Possibilities of greater freedom for commercial television operations appear to be emerging throughout Europe, which could increase the proportion of advertising expenditure carried by TV stations in Europe as a whole quite considerably over the next few years irrespective of what happens to the "new media."

It is expected that the forecast growth in total ad spend will be sufficiently rapid to allow expansion of TV advertising ex-

Comparisons of advertising industrial growth

Table comparing % changes in advertising expenditure vs % changes in GNP for various countries (Austria, France, W. Germany, Greece, Italy, Japan, Netherlands, Spain, Sweden, Switzerland, UK, U.S.).

penditure without actually reducing Press expenditure.

The European Advertising Review and Forecast analysis suggests strongly that the growth of TV advertising is unlikely, on experience seen to date in the world, to diminish advertising expenditure in the press except in countries where the press is government-controlled.

TV advertising expenditure may grow faster than Press if de-regulation rolls across Europe but growth of advertising expenditure in the Press is forecast to continue, for at least the next five years, at a very satisfactory level.

TOP TEN U.S. AGENCIES

In world income

Table of top 10 U.S. agencies by world income in 1983 and 1982.

In world billings

Table of top 10 U.S. agencies by world billings in 1983 and 1982.

In U.S. income

Table of top 10 U.S. agencies by U.S. income in 1983 and 1982.

In non-U.S. income

Table of top 10 U.S. agencies by non-U.S. income in 1983 and 1982.

Source: Advertising Age

Large advertisement for The Daily Telegraph with headline: 'IF YOU'VE BEEN DOING YOUR SUMS YOU'LL KNOW THAT THE DAILY TELEGRAPH REACHES MORE TABS THAN ANY OTHER NATIONAL DAILY.'

If however you haven't been properly advised of our recent readership figures, may we suggest that you take a look for yourself. This is one occasion when you really can believe what you read in the newspaper.

Table showing readership figures for Daily Telegraph and FT. Guardian Times.

As you would expect, the Daily Telegraph continues to reach more businessmen than any other national daily newspaper.

Daily Telegraph logo

Overseas foray but there is no place like home

Japan

JOHN BURTON

DENTSU is one of those institutions that the hierarchical-minded Japanese take great pride in because it is number one in its field, being the world's largest advertising agency.

Unlike the Sonys or Toyotas of the Japanese corporate market, Dentsu has reached its premier position by concentrating on the domestic market, eschewing, until recently, any attempt to expand overseas. The other, mainly U.S.-based, advertising agencies in Dentsu's league, such as Young and Rubicam, Ted Bates and J. Walter Thompson, have reached such heights only by erecting extensive international networks.

Firmly embedded

Dentsu has firmly embedded itself in the Japanese media establishment, especially the electronics branch. After World War II, it assisted in the birth of commercial radio and television in Japan by arranging capitalisation for such ventures and supplying agency staff to manage them.

It bought a small share in Tokyo Broadcasting System, one of Japan's five commercial networks, and obtained financial interests in other local TV stations. It is now following the same pattern in the establishment of cable TV networks in Japan. Dentsu also partially owns Video Research, Japan's equivalent to the A. C. Nielsen TV rating service.

controlled by Kyodo News Service, Japan's largest news agency. That harkens back to Dentsu's beginnings at the turn of the century when it was set up as a news agency that provided its news wire to newspapers in return for advertising space that it then sold to advertisers.

This web of media ties has given Dentsu its immense strength. Advertising space in Japan's media is at a premium when compared to the U.S. or Europe. The small size of Japanese newspapers prohibits a large amount of space being given to advertising and there are only a handful of commercial radio stations in each of Japan's main cities. That leaves TV as the principal advertising medium and Dentsu commands access to important blocks of airtime on several of the leading networks, the result of its cultivation of the TV industry since its pioneering days.

Due to the scarcity of mass media advertising outlets, media buying is more important than a quarter of the \$12bn in billings generated by domestic Japanese advertisers annually. In comparison, second-ranking Hakuhodo accounts for about 10 per cent of the Japanese advertising business.

Indeed, Dentsu is a typical product of the Japanese economic system where interlocking corporate relationships are frequent and where an advertising agency can exert influence far beyond advertising.

Because Dentsu serves as the sole or easier gateway to some of the most desired advertising space in the most desired medium, it has a huge client list that includes almost all of Japan's leading corporations.

The shape of the market has conformed to the power of the agencies rather than the reverse. Because clients do choose from in gaining access to the mass media, they are forced to use an agency that their competitors also use. Such client conflict is unheard of in the U.S. or Europe.

atmosphere within the agency. One way that clients have been able to maintain some degree of flexibility is by splitting up their accounts among various agencies—a common practice in Japan. One agency may be selected for creative work and another for media buying, or different product lines will be distributed among several agencies, with the aim of keeping the agencies on their toes and competing for more business.

The Japanese advertising industry is likely to remain an oligarchic system dominated by a few key agencies. The concentration of power in the hands of Dentsu and, to a lesser extent, Hakuhodo is the fruit of an economic structure whose mechanisms are not likely to change quickly.

Both Dentsu and Hakuhodo work hard at maintaining their lock on prime advertising space and have been aggressive in ensuring their media-buying dominance continues in new fields such as cable TV, videotex and teletext.

Dominance continues While the corporate structure remains stagnant at home, the crucial question facing Dentsu and Hakuhodo is whether they can duplicate their success abroad. For years, the cumulative billions of dollars that Japan's export-oriented firms have spent overseas in advertising have gone to enrich foreign agencies.

Japanese advertising agencies, like other Japanese service industries, have been reluctant to enter the international arena because of their uncertainty over dealing with different cultural values.

However, since 1980 Dentsu and Hakuhodo have embarked on a strategy to capture some of that overseas market. Given their lack of experience in global marketing, both agencies have linked with two of the biggest Western multinational agencies — Dentsu with Young and Rubicam and Hakuhodo with the Interpublic Group, which includes McCann Erickson, SSC & B, Lintas and Marichalk Campbell-Ewald and Dailey.

While aiding these Western agencies in establishing offices in Japan, Dentsu and Hakuhodo have helped them in setting up branches in the US, Europe and Asia.

Rapidly growing into a free-for-all

Press

ALAN PIKE

THE TWO words, historic and first, are much-abused in promotional material, but they have been used with justification to describe an event taking place in Birmingham this week.

Birmingham now has its first free daily newspaper in the shape of the Daily News, which will provide more than 200,000 copies a night for distribution throughout the Birmingham conurbation. It is not so many years since some sage figures were predicting that free newspapers and little more to the event is undeniably attracting considerable interest.

The Daily News, to be printed on contract by Bergsons Newspapers at Worcester, will circulate from Tuesdays to Fridays. A 3,000-strong distribution team will have the task of getting it through the city's letter-boxes between 7.00 am and 8.00 am.

Chris Bullivant, chairman of the Bullman Newspaper Group, a major Midlands chain of free newspapers, in 1978.

He says that good free newspapers are now established as "the most successful advertising medium of the decade," and believes the time is right for an attack on the daily market—the last stronghold of the traditional paid-for regional newspaper.

Primary market

The Daily News claims an 84 per cent coverage of the primary market compared with 51 per cent for the Birmingham Post and Mail's paid-for evening newspaper, the Evening Mail. Full-page advertising rates in the Daily News will be £3,105.

Some categories of advertiser will be offered the option of space in north/south split editions, each giving coverage in half the 300,000 homes in the proposed distribution area.

New evidence of the strong market position which free newspapers have established is

provided in a survey carried out last month by Audience Selection. The research indicates that about 75 per cent of the British population regularly reads a free newspaper.

It appears from the evidence that the 22m free newspapers now delivered to British households are read to the same degree as regional newspapers and national dailies which the public buy over their newspaper's counters. But a similar proportion of the population to the 75 per cent who regularly read free newspapers continue to buy conventional regional titles.

Strong appeal

The survey shows a slightly higher free newspaper readership among men than women, and suggests that free publications have a particularly strong appeal to the 25-35 age group.

Last month also saw the inauguration of the Association of Free Magazines and Periodicals, which will operate on similar lines to the Association of Free Newspapers. Advertisers are likely to welcome the establishment of the new association, which will promote the interests of free magazines and periodicals and encourage high editorial and advertising standards.

In recent years there has been a continual shift in the proportion of advertising going to free publications at the expense of regional dailies and paid-for weeklies. But the strongest challenge facing the Press—regional and national, paid-for and free—is simply to persuade advertisers that newspaper advertising has advantages over television.

A determined attempt to face this issue head-on started earlier this year at the Press '84 conference in Berlin, when hundreds of advertisers and agency staff gathered to hear the case for newspapers. The conference represented an important effort by newspaper publishers to sell the concept of press advertising, and challenge the taken-for-granted pre-eminence of television among many consumer advertisers.

Newspaper publishers went to Berlin in more confident mood than they might have expected when the idea of the conference was first mooted. The last year has seen an upturn in many newspaper groups' profitability and advertising income, and an end to at least some of the severe discounting on advertising rates which was raging throughout the recession.

But the long-term trend in advertising market share has been away from newspapers and towards television. Newspaper groups are attempting to reverse this by presenting advertisers with specific examples of successful newspaper campaigns.

One of the most important influences on newspaper advertising market for many years has, of course, been the colour magazine and it is possible that the most recent arrivals—with the News of the World, Sunday Express and Mail on Sunday—may be the last.

Mr Robert Maxwell's purchase of Mirror Group Newspapers this summer was quickly followed by suggestions that he is considering colour supplements for the group's three Sunday newspapers—the Sunday Mirror, Sunday People and Sunday Mail in Scotland.

Colour attraction

The attraction of adding colour magazines to the Mirror newspapers might be enhanced by the fact that Mr Maxwell would have to look no further than the British Printing and Communication Corporation, which he also owns, to find a printer.

There is, meanwhile, no sign of an early end to the struggle for position in Fleet Street which in recent months has led to the News of the World adopting a tabloid format, the introduction of the Times Fortnightly game, a reduction in the Daily Mirror cover price from 17p to 16p to match the Sun—which then promptly went up to 17p—and a queue of readers waiting to become millionaires in huge competitions. One result is a growing threat that some of these activities could help make a case for imposing Value-added tax on newspapers.



Mr Chris Bullivant founder of the Bullman Newspaper Group, and a "mock up" of the first free daily newspaper, the Daily News; right: the rising tide of free newspapers



Waves still only making a ripple

Radio

ANTONY THORNCROFT

THIS HAS not proved commercial radio's best year: on the other hand, it is not proving a disaster. In 1983 advertising revenue rose by more than 15 per cent to £71m. In 1984 the 47 stations now on air will be happy with a gain of 12 per cent. That is due, in part, of course, to the new stations opening for business—in September commercial radio returned to Leicester and started in the Reigate-Crawley area, and this month Radio Broadlands in Norwich and Invicta Sound in Kent went on air.

Roughly a quarter of the UK's independent local radio stations approved by the Independent Broadcasting Authority are in the red; a quarter are struggling in the black; a quarter are doing reasonably well; and a quarter prospering.

Eleven years ago the first commercial radio station in mainland Britain, LBC, the London news programme, took to the airwaves. Yet somehow the medium has not settled down. It has, however, proved popular with the public. Though the latest audience research figures show a slight decline, commercial radio has captured a 23 per cent share of the national

audience for radio, the same as Radio One. However, it covers only about 8 per cent of the country.

The problems the stations face are mainly economic. The advertising agencies, which grew rich on television, have not shown the same enthusiasm for a minor medium which offers less reward for quite hard work. This has made it difficult for the more recent stations, operating within limited catchment areas, to make money.

In addition, there is the obvious lack of management experience in radio: last year nearly half of the stations on air were looking for new managing directors.

Burdens imposed

What irritates the stations most are the burdens imposed upon them in fixed costs, notably the royalty fees they have to pay on the records that form the bulk of their programming; the IBA rentals; and the Exchequer levy. This takes the cream away from the stations that have bucked the trend and, by imaginative management, proved successful serving a small region.

Essex Radio, for example, which was making profits of over £200,000 at the end of its second year, had its primary rental increased by a fifth. It could soon suffer the levy which comes into operation, at 40 per

cent when profits top £250,000, or 2 per cent of broadcasting revenue if that is higher.

Only the early stations serving large cities, like London, Manchester, Glasgow and Liverpool, look like proving good investments. Radio City in Liverpool, Radio Clyde in Glasgow and now Piccadilly in Manchester have gone public through the Unlisted Securities Market, with success, and Capital Radio in London, which creams off over 20 per cent of all radio advertising, is waiting in the wings.

What has particularly incensed the stations this year has been the epidemic of illegal "pirates," transmitting to local communities, paying no fees, and able, with their much lower costs, to prosper. Laser 553, operating from a ship off the Essex coast, claims an audience of 5m and is about to take advertisements. It is outside the control of the British Government, but there are over 100 stations on the mainland competing with the independent local radio network.

In terms of advertising revenue they are probably not much of a threat (the typical advertiser would be a local restaurant or hairdressing salon paying around £50 a week for 14 spots), but they are eating away at the audience of the commercial stations. That audience has already been reduced by breakfast television in particular.

Some stations, notably Capital, have changed their programme format in recent weeks, making it brighter and aimed at a younger audience rather than housewives, in an attempt to win back listeners both from the pirates and from a revitalised Radio One.

The Government seems reluctant to persecute the pirates and there is a strong lobby favouring their inclusion in a wider radio network as community stations. There is also a proposal from the IBA for a national commercial station, either modelled on Radio One or Radio Four. Whatever materialises, it poses yet more problems for the local stations and casts doubt as to whether the full planned network of more than 60 will materialise.

Another success story has been Kimberley Clark, which became disillusioned with television and this year concentrated on a national radio campaign for its Kleenex for Men after a reassuring test in Scotland. Nabisco, Rowntree's, Biscuits and Carling Black Label are other recruits to radio.

However, the food and toiletries advertisers, who were expected to embrace radio, are still absent. To compensate car advertising is rising and now accounts for 10 per cent of national advertising, after retail and mail order, publishing and holidays.

Radio is still making headway but the going is tougher than expected. It attracts only 2.5 per cent of the total advertising cake and has yet to entice all creators of advertising. Its experience, in fact, is like that of any new industry: success is possible, but it has to be achieved by imaginative management.

New contracts

The IBA is bowing to the financial climate and allowing multiple ownership. Centre Radio in Leicester was the first (and only) station to go out of business, but now Leicester has a station again, this time controlled by neighbouring Radio Trent. New contracts have been awarded to thriving stations in the same locality.

In the future there could be around 20 companies, many with two satellites, some perhaps with three, and a corresponding big saving on administrative costs. The only alternative would be for the IBA

FT... by you know who



by you know who

There's a lot more fizz in the FT than most non-readers imagine.

Just as there's a lot more entertainment, a lot more wit and a lot more down-to-earth commonsense.

That's because the businessmen, the politicians and trade-union leaders who read the business news are also the book-buying, art-loving, theatre-going connoisseurs who read the Arts pages.

They're the men who drive your cars and golf balls, try your clarets and computers stay in your hotels and use your banks.

What a variety of high-spending people the FT offers you!

No FT...no comment.

Pressure to maintain standards

Regulation

DAVID CHURCHILL

THE ADVERTISING industry has come under increased pressure this year to make sure its house is in order.

The pressure has come not only from Sir Gordon Borrie, Director General of Fair Trading, but also from the EEC which last month adopted a directive aimed at preventing misleading advertising. Like it or not, the advertising industry is having to look to its laurels.

Not that the advertising world has lived without government control in the past. There are some 80 or so separate statutes, orders and regulations concerned in some way with controlling advertising in the UK, mainly concerned with preventing publication of certain categories of misleading advertisements.

However, these formal controls tend to be very much of a "long stop" to the main system of regulation of advertising in the UK, which is that provided by the Advertising Standards Authority.

The ASA was established some 20 years ago, largely as a consequence of the growth in commercial television. This was because television advertising was subject to stringent controls laid down by the Independent Broadcasting Authority—thus making it more incongruous that the more extensive advertising through other media escaped censure.

Forces joined

In order to avoid any statutory system of controls imposed by central government, the advertising industry joined together to create a self-regulatory system for maintaining standards in print, poster, and cinema advertising.

The industry, through various trade associations, established a Code of Advertising Practice and, in 1962, set up the ASA as an independent body to monitor and adjudicate complaints based on this code.

In the early days of its operation, the ASA was hampered by a lack of resources. It soon became clear that the ASA needed strengthening if it was to win the confidence of the public and advertising industry alike. Consequently, in 1974, a



Keeping the house in order: Sir Gordon Borrie, Director General of Fair Trading and (right) Lord McGregor, chairman of the Advertising Standards Authority

new system of finance was established which imposed a levy of 0.1 per cent on the cost of all relevant advertising (other than classified). In 1983 this gave the ASA an income of nearly £1.3m.

The ASA now has a full-time secretariat of about 40 who serve an 11-strong council. To preserve the ASA's independence, some two-thirds of the members are from outside the advertising industry and all members serve as individuals.

The ASA has two main functions — to monitor published advertisements to ensure they comply with the code; and to adjudicate on complaints made from members of the public. Complaints from within the industry or from other companies are dealt with by the Code of Advertising Practice committee, which represents advertising industry trade associations.

The CAP committee, which operates from the same offices as the ASA although it works separately, also gives pre-publication guidance to advertisers. Extensive advertising by the ASA has emphasised that all

advertising must be "legal, decent, honest and true." ASA monitoring of publications suggests that most advertisements conform to these criteria: a special census found that only between 1 and 2 per cent of printed advertisements were in breach of the Code of Advertising Practice. "However, in the final analysis only about one in 10 of such breaches are sufficiently significant to be pursued," states Lord McGregor, the ASA's chairman.

"Thus each week the authority's monitoring discloses four or five advertisements that could be in serious breach of the code," he adds.

Although the monitoring activities are an important part of the ASA's activities in maintaining advertising standards, it is in its role as an arbiter of complaints from the public that it is best known.

In 1983, the ASA received 7,848 complaints from the public. Of these, some 38.5 per cent required investigation and 549 related to mail order delays. Of 1,473 copy investigations, some 70 per cent related to

complaints which were upheld either wholly or in part.

In the great majority of these cases, the advertisers concerned gave the ASA their assurances that the offence would not be repeated. None the less, it was necessary in 31 cases to ask the CAP committee to draw the circumstances to the attention of its media members.

Adverse publicity

Apart from the sanction of media owners refusing to carry advertisements which breach the code, the ASA also relies on adverse publicity to help enforce its decisions.

There are ways for rogue advertisers to circumvent the ASA's control in a small minority of cases—but it is for these recalcitrant advertisers that there are proposals for new legal curbs to be brought in.

Sir Gordon Borrie made clear his concern recently that advertising standards might be slipping. He cited a recent ASA case report which said that the most worrying trend in 1983

was the number of advertisers who were failing to substantiate claims, and that claims were made with little or no regard as to whether there is evidence to support them.

"Too many of the advertisers concerned appear only to begin to dream up a hasty substantiation after a complaint has been made," the ASA case report said.

For example, Sir Gordon singled out the J. Sainsbury supermarket chain which promoted its own brand mineral water with the claim "all tap water is recycled" when much of the water in Britain is supplied from upland reservoirs and from underground sources and such water would not have been recycled in the manner described.

"When so many claims are misleading, uninformative or dubious, and some well-known businesses are seeking short-term gains through such practices, it is difficult for others to maintain a more helpful and responsible approach," Sir Gordon says.

"There is a danger of standards declining generally if the more reputable begin to feel that others less conscientious than themselves are taking trade away from them. Yet high standards are a prerequisite for obtaining and keeping a high reputation and in the long run essential for success."

Sir Gordon gives a warning that should the present voluntary system of advertising control break down, "the eventual upshot for the industry might be more rigid legal controls."

Last month the Government announced that it proposed to give Sir Gordon such powers. He will be able to seek court orders prohibiting the publication of misleading advertisements, where he considers his intervention necessary in cases which cannot be adequately dealt with in other ways.

The director-general's new powers, the Department of Trade and Industry says, will be available as "a back-up or long-stop to reinforce existing arrangements for the control of misleading advertising."

The decision to bring in these new powers follows the adoption of the EEC directive on misleading advertising last month. All member states are required to implement this directive by October 1 1986, so the UK legislation is likely to be brought in over the next 12 months.



Industry remains buoyant

CONTINUED FROM PAGE 1

a reflection of the decline in major mail order companies activities.

The rest of the sector, however, showed good growth, much of it from new consumer advertising, such as motor and financial. Altogether, direct mail estimates it contributes about £299m, just under 10 per cent to total advertising expenditure.

Cinema remains a shadow of its former self as a sector, shrinking slowly. In 1982 it accounted for 0.6 per cent of

the total take with £18m, which fell to £16m last year.

The poster sector continues its efforts to stop the slide of market share — in 1983 it slipped from 4 per cent of total expenditure to 3.8 per cent although takings rose from £154m to £157m at current prices.

There are signs of renewed marketing vigour in the ranks — still smarting from the body blow caused by the demise of British Posters, the selling cartel — with more flexible and spontaneous buying now widely available. Results of the much-heralded Site Classification and Audience Evaluation project are expected about the end of the year which should give the

medium the marketing muscle it needs.

The Radio Marketing Bureau reports stable audiences after the drain of last year and a £74.5m advertising expenditure total to July 1984, 12 per cent up on 1983, although the spend is unevenly distributed around the stations. Radio accounts for around 2.3 per cent of total advertising expenditure.

Of total advertising, the biggest three sectors in 1983 are classified £780m, total £547m (£567m in 1982), industrial £388m (£350m in 1982) and household and leisure at £382m. Savings and financial showed a healthy rise from £175m in 1982 to £222m in 1983.

CASE HISTORY: SILK CUT/WINSTON

Teasing a way to success

TRADITIONALLY, the most boring advertisements were for cigarettes. Suddenly that has changed, thanks in the main to Gallahers and to Collet Dickenson Pearce, which showed what could be done with its famous gold box campaign for Benson and Hedges. Conveniently it also did wonders for market share.

Because there is no place for sentiment in advertising, earlier this year Gallaher moved its Silk Cut advertising out of CDF and gave it to Saatchi and Saatchi. The result has been the second most memorable campaign in recent years, those Silk Cut advertisements showing purple silk slashed first by one, then two, and now three cuts.

The advertising has certainly attracted attention and the often repeated question—what on earth is the agency going to come up with to continue the campaign? Both client and agency insist that they have plenty of ideas in hand. Silk Cut is one of the few cigarette brands with a name that means something. And the teasing advertisements apparently please people when they have sorted out what is happening. But now that the initial impact is over, much depends on the agency's creative department.

Gallahers is happy with the new Silk Cut campaign. It sees the role of advertising as sustaining a brand over many years and does not expect any sudden increase in sales—there are so many other marketing factors involved.

What the advertising has achieved is raising awareness, a crucial consideration now that the cigarette-makers are committed to reducing their advertising expenditure by 6 per cent a year.

Special kind

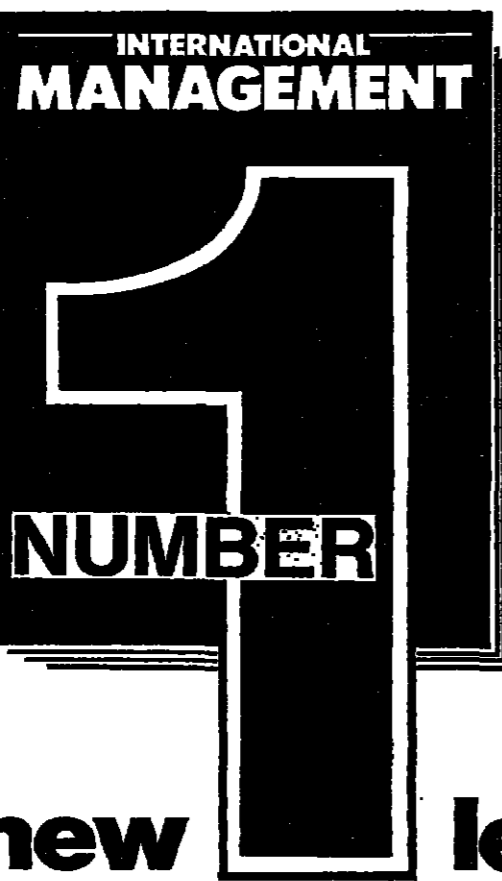
Silk Cut is the leading low-tar brand and very important for the company. With lesser brands, Gallaher has been prepared to be even more experimental, most notably in the advertising for Winston. This is not a big seller and appeals to a rather special kind of smoker who might choose it in preference to Marlborough, or perhaps Gitanes—and might not.

J. Walter Thompson handled the advertising and devoted a day to thrashing out an advertising campaign for Winston which might appeal to the rather trend-conscious smoker. It came up with the most distinctive advertising campaign for some time and one which the client, to its great credit,

accepted, at least for a short, regional advertising burst. There were over 20 advertisements all on the lines: "We're not allowed to tell you anything about Winston cigarettes so here's a... wok in the Black Forest" (with a picture of a chocolate gateau in a Chinese wok)... "a tart on a bar" (a jam tart balanced on a bar)... "something that fell off the back of a lorry" (a battered "long vehicle" sign), and many more.

The small £400,000 campaign caused a great stir, and brought in massive publicity. Punch used the idea for a front cover as did City Limits. The public sent in suggestions, one of which was "We are going to tell you something about Winston cigarettes" and, on a page further back, "April Fool" was used, of course, on April 1 in the Press. Now the advertising has stopped and Gallaher is thinking about whether to give JWT the go ahead for another round.

In the event, the advertising may not have affected sales in what is such a minor sector of the market, but it must have raised morale in the agency and will have proved to other advertisers that one of the oldest and largest agencies in the UK need not be the dullest.



a new leader in executive readership

According to the latest EBRS survey *International Management is read by more executives than Time, Newsweek, Fortune, Economist, Harvard Business Review, Business Week, International Herald Tribune or Wall Street Journal in Europe. More even than the Financial Times outside the U.K.

And International Management reaches the executives you want to influence more cost effectively.

*1984 European Businessman Readership Survey: Research Services Ltd.

INTERNATIONAL MANAGEMENT Innovative management strategies from around the world. McGraw-Hill House, Maidenhead, SL6 2QL Berkshire, England Tel: (0628) 29431

The Globe and Mail and Financial Times present:



If you want to talk to influential Canadians, talk to us.

When you want to reach influential Canadians, turn to International Business. This new weekly section in Canada's national newspaper, The Globe and Mail, will take you directly to the executives in business, industry and government who are most interested in international business and finance.

Reaching 850,000 readers daily, The Globe and Mail has more management and professional subscribers than any other publication.

International Business, written by correspondents of Financial Times and The Globe and Mail, presents a world-class environment for your advertising— a

quality medium, with a quality audience. Talk to your International Business representative soon — he will show you the new way to influence Canadians.

For additional information, contact: Peter Phillips, The Globe and Mail, 167 Temple Chambers, Temple Avenue, London, England EC4Y 0EA Tel: 353-5771

The Globe and Mail Canada's National Newspaper

REPRESENTATIVES			
West Germany/Austria The Netherlands A.W.C. International Media Reps. Niederrhein 39, 6900 Fresenius/M.I. Tel: 71 43 97	Belgium/Luxembourg Insight Publications S.A. Chaussée de Waterloo 87S 1190 Brussels Tel: 374 91 15	China The Asiatic People 218 Tong Kong Commercial Building 109-111 Gloucester Road Wanchai, Hong Kong Tel: 9033 111	U.S.A. — Classified/Careers THE WALL STREET JOURNAL 225 Broadway New York, N.Y. 10007 Tel: (212) 255-5243 (212) 285-5240
France Publicis 26 Avenue Victor-Hugo 75116 Paris, France Tel: 509 66 08	Sweden Svenska Kring- & Associates Finsbodavägen 1 13131 Nacka, Sweden Tel: 08-440005	Nigeria Intermedia P.O. Box 2222 Lagos, Nigeria Tel: 662074	Greece Talis Ltd. 19 Mikras Athas St. Athens 11527, Greece Tel: 770312
Italy Studio Bici S.r.l. Via Corrado del Passa 4, 20122 Milan, Italy Tel: 8106 41	S.E. Asia Hendray Print & Production 108 Ling Yung Building 28 Yan Ping Road Hong Kong Tel: 5-24802	S. Africa International Media Representatives P.O. Box 4145 Johannesburg 2009 Republic of South Africa Tel: 29 8217	Portugal Roberto Fink Alves Alameda D. Afonso Henriques No. 78-2 D.T.O. 1000 Lisbon, Portugal Tel: 887444
Switzerland Triventric Rufschmidt 4 Place du Cirque 1204 Geneva, Switzerland Tel: (022) 29 12 11	Korea/Japan Shurew Design P.O. Box 27910 Seoul, Korea Tel: 241 9990	Japan Nikkei International Ltd. 8-8 Osumachi, Chiyodaku, Tokyo, 100 Japan	Spain Tall Auditio Paseo 72-2C Madrid 3, Spain Tel: 456 2778